

Proposed 2006 Supplemental Budget

# **Recommendation Summaries**

DECEMBER 2005

OFFICE OF THE GOVERNOR



## SUPPLEMENTAL BUDGET

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The *Proposed 2006 Supplemental Budget Recommendation Summaries* contains summary tables that display the dollar and FTE differences between each agency's current 2005-07 expenditure authority and the revised biennial budget proposed by the Governor. It also includes the 2006 supplemental capital plan project list, a fund summary, and proposed alternate financing projects.

An asterisk (\*) at the end of the item indicates expenditure changes that are dependent upon new revenue legislation. Changes requiring other types of legislation are identified by a pound sign (#).

The statewide adjustments described below appear in numerous agency budgets.

- **Pension Plan 1 Unfunded Liabilities:** A contribution is made for Fiscal Year 2007 for the unfunded actuarial accrued liabilities of the Public Employees' Retirement System Plan 1 and Teachers' Retirement System Plan 1.
- **Classification Revisions:** This item reflects changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. Revisions appear in various agencies, netting a savings of \$586,000 statewide.
- **Central Service Agency Charges:** The Department of Personnel billings to agencies will increase to cover costs, including the Human Resource Management System project delay costs, related to implementing the staggered pay raise. Office of Financial Management billings to agencies for statewide systems will increase to support the completion of the Roadmap Feasibility Study and improvements to the state's capital budgeting systems. Funding is provided to agencies to reflect these costs.
- **SmartBuy:** The original 2005-07 budget anticipated \$25 million of General Fund-State savings through the use of strategies being developed by the Department of General Administration, State Printer, and Department of Information Services to reduce the cost of goods and services. The Governor's supplemental budget assigns these savings to individual agency budgets.

The Agency Activity Inventory for the proposed 2006 supplemental budget can be found at <http://www.ofm.wa.gov/budget06/activity/> or in the Web version of this document by clicking the Total Proposed Budget line link located on each agency's recommendation summary page. Proposed compensation and other statewide adjustments have not been allocated to individual agency activities. Agencies will assign these costs to the proper activities after the budget is enacted.





Agency 045

**Supreme Court****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	63.4	12,431		12,431
<b>Supplemental Changes</b>				
Justices' Salary Increase		113		113
Unemployment Compensation		1		1
Additional Staff	.4	37		37
Technical Corrections		(99)		(99)
<b>Subtotal - Supplemental Changes</b>	0.4	52		52
<b>Total Proposed Budget</b>	63.8	12,483		12,483
Difference	.4	52		52
Percent Change	0.6%	0.4%		0.4%

**SUPPLEMENTAL CHANGES****Justices' Salary Increase**

Funding is needed for the Supreme Court Justices' salary and benefit increases adopted by the Washington Citizens' Commission on Salaries for Elected Officials. The revised salary schedule includes adjustments effective September 1, 2005 and 2006.

**Unemployment Compensation**

Pursuant to RCW 50.44.020, the Supreme Court requires funding to reimburse the Employment Security Department for unemployment compensation invoices that remain unpaid.

**Additional Staff**

A new editorial assistant half-time position is added in the Office of Reporter of Decisions to perform a volume of work that, on a per-employee basis, has increased by 37 percent since 1995.

**Technical Corrections**

Salaries for Supreme Court Justices were inadvertently included in the cost-of-living adjustment computation for the 2005-07 biennial budget. This funding is removed.

## JUDICIAL

Agency 046

### Law Library

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	13.8	4,031		4,031
<b>Supplemental Changes</b>				
Off-Site Storage Lease Increase		4		4
<b>Subtotal - Supplemental Changes</b>		4		4
<b>Total Proposed Budget</b>	13.8	4,035		4,035
Difference		4		4
Percent Change	0.0%	0.1%		0.1%

#### SUPPLEMENTAL CHANGES

##### Off-Site Storage Lease Increase

Funding is added for the 2005-07 Biennium to cover the Law Library's off-site storage lease renewal. The actual costs for the lease exceed initial projections.

Agency 048

**Court of Appeals****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	144.6	28,224		28,224
<b>Supplemental Changes</b>				
Unemployment Compensation		7		7
Annual/Sick Leave Buy-Out		9		9
Judges' Salary Increase		264		264
Technical Corrections		(227)		(227)
Other Rate Adjustments		5		5
Transfers				
<b>Subtotal - Supplemental Changes</b>		58		58
<b>Total Proposed Budget</b>	144.6	28,282		28,282
Difference		58		58
Percent Change	0.0%	0.2%		0.2%

**SUPPLEMENTAL CHANGES****Unemployment Compensation**

Pursuant to RCW 50.44.020, the Court of Appeals requires funding to reimburse the Employment Security Department for unemployment compensation invoices that remain unpaid.

**Annual/Sick Leave Buy-Out**

Funding is added to pay for unanticipated annual and sick leave buy-outs in Fiscal Year 2006.

**Judges' Salary Increase**

Funding is needed for the Court of Appeals judges' salary and benefit increases adopted by the Washington Citizens' Commission on Salaries for Elected Officials. The increase is effective September 1, 2005, with an additional increase on September 1, 2006.

**Technical Corrections**

The 2005-07 operating budget inadvertently included cost-of-living increases for judges of the Court of Appeals. This funding is removed.

**Other Rate Adjustments**

Additional funding is added for the increased cost of commercial property insurance.

**Transfers**

The across-the-board reductions in the 2002 supplemental budget resulted in an out-of-balance situation in fiscal year carry-forward levels. The funding distribution for each fiscal year is equalized.

## JUDICIAL

Agency 055

### Administrative Office of the Courts

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	354.3	39,738	78,147	117,885
<b>Supplemental Changes</b>				
Judicial Voter's Pamphlet		135		135
Legal Financial Obligation		221		221
Unemployment Compensation			10	10
Superior Court Judges	2.3	402		402
Disaster Recovery			380	380
Juror Pay and Research Project		569		569
Office Consolidation			390	390
Superior Court Judges Salary Increase		1,292		1,292
Technical Corrections		(868)		(868)
Other Rate Adjustments			50	50
<b>Subtotal - Supplemental Changes</b>	2.3	1,751	830	2,581
<b>Total Proposed Budget</b>	356.6	41,489	78,977	120,466
Difference	2.3	1,751	830	2,581
Percent Change	0.6%	4.4%	1.1%	2.2%

#### SUPPLEMENTAL CHANGES

##### Judicial Voter's Pamphlet

Application of the 1992 Voting Rights Language Assistance Act (Pub. L. 102-344) to the primary judicial voter pamphlet will increase the costs of production.

##### Legal Financial Obligation

Legal financial obligation publication and mailing costs for the 2005-07 Biennium have increased.

##### Unemployment Compensation

Pursuant to RCW 50.44.020, the Administrative Office of the Courts requires funding to reimburse the Employment Security Department for unemployment compensation invoices that remain unpaid. (Public Safety and Education Account-State)

##### Superior Court Judges

Additional superior court judge positions will be filled in January, 2006 in Pierce, Spokane and Snohomish Counties.

##### Disaster Recovery

Funding is added for the semiannual testing of disaster recovery procedures and systems put in place during the 2003-05 Biennium for the Judicial Information System. (Public Safety and Education Account-State)

##### Juror Pay and Research Project

Funding is added for a pilot project, and accompanying research study, to assess the impact of juror pay on juror response rates and the demographic composition of the jury pool.

**Office Consolidation**

Funding is added to cover the full cost of lease payments associated with office consolidation. (Public Safety and Education Account-State)

**Superior Court Judges Salary Increase**

Funding is needed for the Superior Court judges' salary and benefit increase adopted by the Washington Citizens' Commission on Salaries for Elected Officials. The revised salary schedule includes salary adjustments effective September 1, 2005 and September 1, 2006.

**Technical Corrections**

The 2005-07 operating budget inadvertently included cost-of-living increases for Superior Court judges. This funding is removed.

**Other Rate Adjustments**

Additional funding is added for the increased cost associated with General Administration facilities and services charges. (Public Safety and Education Account-State)

## JUDICIAL

Agency 056

### Office of Public Defense

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	9.5	3,568	20,475	24,043
<b>Supplemental Changes</b>				
Dependency and Termination	.5	11,022		11,022
Public Defense Quality Standards	1.3	15,965		15,965
Washington Defender Association		425		425
FTE Staff Adjustment	3.0			
<b>Subtotal - Supplemental Changes</b>	4.8	27,412		27,412
<b>Total Proposed Budget</b>	14.3	30,980	20,475	51,455
Difference	4.8	27,412		27,412
Percent Change	50.0%	768.3%	0.0%	114.0%

#### SUPPLEMENTAL CHANGES

##### Dependency and Termination

Funding is added to implement the Parents Representation Program in all counties.

##### Public Defense Quality Standards

The 2005 Legislature passed legislation which created a program within the agency to provide funding to local governments for indigent defense services contingent on their fulfillment of quality and caseload standards for public defense services. Funding is added to implement this legislative mandate.

##### Washington Defender Association

The Office of Public Defense adds funding to carry out legislative intent to provide continuing state support for the work of the Washington Defender Association, and to correct an inadvertent error in the 2005-07 budget bill.

##### FTE Staff Adjustment

Three additional staff are added because of the addition of a trial court program to the agency's workload.

Agency 057

**Office of Civil Legal Aid****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1.0	5,715	10,692	16,407
<b>Supplemental Changes</b>				
Civil Legal Aid		600		600
<b>Subtotal - Supplemental Changes</b>		600		600
<b>Total Proposed Budget</b>	1.0	6,315	10,692	17,007
Difference		600		600
Percent Change	0.0%	10.5%	0.0%	3.7%

**SUPPLEMENTAL CHANGES****Civil Legal Aid**

The Office of Civil Legal Aid add funds to mitigate the loss of federal dollars targeted to meet emergency civil legal needs of low-income victims of domestic violence.





## GOVERNMENTAL OPERATIONS

Agency 075

### Office of the Governor

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	72.4	10,879	6,056	16,935
<b>Supplemental Changes</b>				
Governor's Salmon Recovery Office		500	160	660
Economic Development Strategic Reserve	.5		4,000	4,000
SmartBuy		(27)		(27)
Pension Plan 1 Unfunded Liabilities			35	35
Central Service Agency Charges		7		7
<b>Subtotal - Supplemental Changes</b>	0.5	480	4,195	4,675
<b>Total Proposed Budget</b>	72.9	11,359	10,251	21,610
Difference	.5	480	4,195	4,675
Percent Change	0.7%	4.4%	69.3%	27.6%

#### SUPPLEMENTAL CHANGES

##### Governor's Salmon Recovery Office

During the 2005 legislative session, the sunset date for the Governor's Salmon Recovery Office (GSRO) was changed from June 30, 2006 to June 30, 2007. Although the official sunset date was extended, no additional funding was provided by the Legislature to operate the office beyond June 30, 2006. Funding is provided for Fiscal Year 2007 to meet the legislative intent of the sunset date change and to support GSRO's continued operation. The GSRO will coordinate and produce a statewide salmon strategy; assist in the development and implementation of regional recovery plans; secure funding for recovery efforts; publish the Biennial State of Salmon report to the Legislature; and provide support to the Salmon Recovery Funding Board and the Governor's Forum on Monitoring Salmon Recovery and Watershed Health. (General Fund-State, Salmon Recovery Account-State)

##### Economic Development Strategic Reserve

The Governor, upon recommendation of the director of the Department of Community, Trade and Economic Development and the Economic Development Commission, authorizes funds to recruit businesses, support public infrastructure, and provide technical assistance to prevent business closure or relocation outside the state. (Economic Development Strategic Reserve Account-State)

## GOVERNMENTAL OPERATIONS

Agency 080

### Office of Lieutenant Governor

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	8.0	1,518	1	1,519
<b>Supplemental Changes</b>				
Remove Private/Local Funding			(1)	(1)
Pension Plan 1 Unfunded Liabilities			3	3
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>		2	2	4
<b>Total Proposed Budget</b>	8.0	1,520	3	1,523
Difference		2	2	4
Percent Change	0.0%	0.1%	200.0%	0.3%

#### SUPPLEMENTAL CHANGES

##### Remove Private/Local Funding

The Lieutenant Governor's Office does not anticipate receiving funding from this account for budgeted compensation items. (General Fund-Private/Local)

## GOVERNMENTAL OPERATIONS

Agency 082

### Public Disclosure Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	24.5	3,998		3,998
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			10	10
Central Service Agency Charges		4		4
<b>Subtotal - Supplemental Changes</b>		4	10	14
<b>Total Proposed Budget</b>	24.5	4,002	10	4,012
Difference		4	10	14
Percent Change	0.0%	0.1%	100.0%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 085

### Office of the Secretary of State

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	290.3	36,425	80,860	117,285
<b>Supplemental Changes</b>				
Local Government Off-Site Storage	1.0		130	130
Local Government Records Retention	1.0		109	109
Voter Registration Database	1.8		6,000	6,000
Democratic Party v. Sam Reed		110		110
SmartBuy		(302)		(302)
Pension Plan 1 Unfunded Liabilities			101	101
Classification Revisions		(22)	13	(9)
Lease Rate Adjustments		1,088		1,088
Central Service Agency Charges		20	32	52
Mandatory Workload Adjustments		442		442
Nonappropriated Fund Adjustment	27.5		803	803
Unanticipated Receipts not in Carry Forward Level	.5		128	128
Other Maintenance Level Adjustments		60		60
<b>Subtotal - Supplemental Changes</b>	31.8	1,396	7,316	8,712
<b>Total Proposed Budget</b>	322.1	37,821	88,176	125,997
Difference	31.8	1,396	7,316	8,712
Percent Change	10.9%	3.8%	9.0%	7.4%

#### SUPPLEMENTAL CHANGES

##### Local Government Off-Site Storage

The Washington State Digital Archives in Cheney will store local government mission-critical backup tapes off-site. (Local Government Archives Account-State)

##### Local Government Records Retention

The Local Records Committee will review and update local government general records retention schedules. (Archives and Records Management Account-State, Local Government Archives Account-State)

##### Voter Registration Database

The Help America Vote Act requires the state to develop a statewide voter registration database. The first phase of the database should be completed by April 2006. Funding is provided to implement the second phase which will complete the database. (Election Account-Federal)

##### Democratic Party v. Sam Reed

This pays for the settlement of all claims in Washington State Democratic Party, et al v. Sam S. Reed, et al. This expenditure is contingent on the release of all claims in the case and related appeal, and total settlement costs shall not exceed this amount.

## GOVERNMENTAL OPERATIONS

### **Lease Rate Adjustments**

Additional funding is needed to pay for the State Library's lease at the Point Plaza East Building.

### **Mandatory Workload Adjustments**

Funding is provided to cover additional expenses incurred in producing the 2005 General Election voters' pamphlet.

### **Nonappropriated Fund Adjustment**

Additional expenditure authority is provided to reflect the expected increased level of imaging services provided by the agency. (Imaging Account-Nonappropriated)

### **Unanticipated Receipts not in Carry Forward Level**

The Secretary of State is given increased expenditure authority for the Archives and Records Management Account. The increased authority is provided in order to match anticipated revenue generated by the Puget Sound Regional Archive Branch. This item also includes authority for the remaining \$82,000 of a grant given by the Paul Allen Family Foundation for the State Library to support the "Every Child Ready to Read" program. (Archives and Records Management Account-State, General Fund-Private/Local)

### **Other Maintenance Level Adjustments**

Voter registration forms will be reprinted in accordance with changes mandated by legislation relating to out-of-state voters (Laws of 2005, Chapter 246).

## GOVERNMENTAL OPERATIONS

Agency 086

### Governor's Office of Indian Affairs

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.5	566		566
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			1	1
Central Service Agency Charges		3		3
<b>Subtotal - Supplemental Changes</b>		3	1	4
<b>Total Proposed Budget</b>	2.5	569	1	570
Difference		3	1	4
Percent Change	0.0%	0.5%	100.0%	0.7%

## GOVERNMENTAL OPERATIONS

Agency 087

### Commission on Asian Pacific American Affairs

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.0	473		473
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			1	1
Central Service Agency Charges		1		1
<b>Subtotal - Supplemental Changes</b>		1	1	2
<b>Total Proposed Budget</b>	2.0	474	1	475
Difference		1	1	2
Percent Change	0.0%	0.2%	100.0%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 090

### Office of State Treasurer

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	72.2	14,124	14,124
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		38	38
Classification Revisions		(3)	(3)
Central Service Agency Charges		15	15
<b>Subtotal - Supplemental Changes</b>		50	50
<b>Total Proposed Budget</b>	72.2	14,174	14,174
Difference		50	50
Percent Change	0.0%	0.4%	0.4%



**GOVERNMENTAL OPERATIONS**

Agency 095

**Office of State Auditor****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	334.6	4,325	54,103	58,428
<b>Supplemental Changes</b>				
Management and Accountability Proposal #	(2.5)	(2,725)	(2)	(2,727)
SmartBuy		(9)		(9)
Pension Plan 1 Unfunded Liabilities			143	143
Central Service Agency Charges		2	49	51
<b>Subtotal - Supplemental Changes</b>	(2.5)	(2,732)	190	(2,542)
<b>Total Proposed Budget</b>	332.1	1,593	54,293	55,886
Difference	(2.5)	(2,732)	190	(2,542)
Percent Change	(0.7)%	(63.2)%	0.4%	(4.4)%

**SUPPLEMENTAL CHANGES****Management and Accountability Proposal #**

With the passage of Initiative 900, legislation is being proposed to restructure the citizens advisory board and transfer its support and the function of performance reviews to the Office of Financial Management. (General Fund-State, Auditing Services Revolving Account-State)

## GOVERNMENTAL OPERATIONS

Agency 099

### Commission on Salaries for Elected Officials

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1.4	343		343
<b>Supplemental Changes</b>				
Central Service Agency Charges		1		1
<b>Subtotal - Supplemental Changes</b>		1		1
<b>Total Proposed Budget</b>	1.4	344		344
Difference		1		1
Percent Change	0.0%	0.3%		0.3%

# GOVERNMENTAL OPERATIONS

Agency 100

## Office of Attorney General

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,104.0	10,379	195,597	205,976
<b>Supplemental Changes</b>				
Boldt Case Litigation				
Additional Workload Funding	.5		110	110
Child Abuse and Neglect	.5		165	165
Health Professions Quality Assurance Databank Checks	.4		109	109
DOH - Health Professions Quality	1.0		302	302
Liquor Distribution Litigation	1.5		410	410
Special Education Litigation	4.0		1,099	1,099
Unfunded Mandates Litigation	1.5	496		496
Fuel Tax Litigation	2.7		555	555
Lower Elwha Klallam Tribe v. Washington	.7		236	236
DSHS Juvenile Litigation	1.2		315	315
Tobacco Master Settlement	2.5		762	762
Sexually Violent Predator Legal Services	3.0		992	992
Medicaid Fraud Staffing Enhancement	1.0	66	197	263
Board of Accountancy Investigation Workload			126	126
SmartBuy		(121)		(121)
Pension Plan 1 Unfunded Liabilities			560	560
Central Service Agency Charges			170	170
<b>Subtotal - Supplemental Changes</b>	20.4	441	6,108	6,549
<b>Total Proposed Budget</b>	1,124.4	10,820	201,705	212,525
Difference	20.4	441	6,108	6,549
Percent Change	1.8%	4.2%	3.1%	3.2%

### SUPPLEMENTAL CHANGES

#### Boldt Case Litigation

The change in timing for this case, Boldt Phase 2 or Culverts, requires an adjustment in expenditure authority between fiscal years. The Attorney General's overall appropriation does not change. Negotiations for the case are ongoing and trial is currently scheduled for March, 2007. (Legal Services Revolving Account-State)

#### Additional Workload Funding

The level of legal services required by the Department of Fish and Wildlife has increased. (Legal Services Revolving Account-State)

## **GOVERNMENTAL OPERATIONS**

### **Child Abuse and Neglect**

The Department of Social and Health Services (DSHS) has implemented the changes in child abuse and neglect services required by Chapter 512, Laws of 2005. DSHS has received funding for these services, but the Attorney General needs an increase in its legal services appropriation and billing authority in order to provide related services to the agency. (Legal Services Revolving Account-State)

### **Health Professions Quality Assurance Databank Checks**

The Department of Health (DOH) will increase the number of background checks for health care professionals entering the state. DOH's Health Professions Quality Assurance program proposes to query the Healthcare Integrity and Protection Data Bank to determine if action has been taken against an applicant's license in another state. The Attorney General will provide additional legal services to support DOH's efforts. (Legal Services Revolving Fund-State)

### **DOH - Health Professions Quality**

The Department of Health has received funding to enhance the enforcement of regulations for health professions. The Attorney General requires additional legal services appropriation and billing authority for assistance given to DOH for this activity. (Legal Services Revolving Account-State)

### **Liquor Distribution Litigation**

Costco Wholesale Corporation has filed a lawsuit challenging the way in which beer and wine sales are conducted in Washington. Funding is provided for legal services necessary for the state's defense of this suit. (Legal Services Revolving Account-State)

### **Special Education Litigation**

Funding is provided for an ongoing lawsuit regarding the level of state funding dedicated for special education services. Twelve school districts are challenging funding levels on constitutional grounds. This funding is for additional lawsuit-related expenses expected to be incurred through June 30, 2007. (Legal Services Revolving Account-State)

### **Unfunded Mandates Litigation**

Legal services funding is required to defend the state in a lawsuit filed by Spokane County regarding the repayment of costs incurred by the county as a result of newly enacted or amended legislation.

### **Fuel Tax Litigation**

The Department of Licensing requires additional legal services related to fuel tax and prorate law issues and to defend several motor vehicle fuel tax cases brought by Native American tribes against the state. These cases are pending in federal court. (Legal Services Revolving Account-State)

### **Lower Elwha Klallam Tribe v. Washington**

One-time funding is needed for Assistant Attorney General staff support for the Lower Elwha Klallam Tribe v. Washington State (Graving Dock) case. Legal services are required for negotiations and possible litigation over a Native American burial site that was disrupted during the construction of a dock necessary for the Hood Canal Bridge reconstruction. (Legal Services Revolving Account-State)

### **DSHS Juvenile Litigation**

Funding is provided for additional legal services needed to address juvenile litigation workload issues handled by the Attorney General's Spokane Office. (Legal Services Revolving Account-State)

### **Tobacco Master Settlement**

Funding is needed for legal services associated with enforcement activities and litigation related to the Tobacco Master Settlement Agreement. (Health Services Account-State)

### **Sexually Violent Predator Legal Services**

The Office of the Attorney General will provide additional legal services related to the civil commitment of sexually violent predators. (Legal Services Revolving Account-State)

## **GOVERNMENTAL OPERATIONS**

### **Medicaid Fraud Staffing Enhancement**

The Attorney General's Medicaid Fraud Control Unit has experienced an increased caseload for the investigation and enforcement of Medicaid fraud and patient abuse. (General Fund-State, General Fund-Federal)

### **Board of Accountancy Investigation Workload**

The Board of Accountancy will need additional legal services to support investigations not anticipated in the 2005-07 biennial budget. (Legal Services Revolving Account-State)

## GOVERNMENTAL OPERATIONS

Agency 101

### Caseload Forecast Council

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	7.0	1,433		1,433
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			4	4
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>		2	4	6
<b>Total Proposed Budget</b>	7.0	1,435	4	1,439
Difference		2	4	6
Percent Change	0.0%	0.1%	100.0%	0.4%

Agency 102

**Department of Financial Institutions****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	169.0		37,490	37,490
<b>Supplemental Changes</b>				
Mortgage Broker Practices Act *			804	804
Mortgage Lending Fraud Prosecution *			430	430
Pension Plan 1 Unfunded Liabilities			81	81
Classification Revisions			(4)	(4)
Central Service Agency Charges			33	33
<b>Subtotal - Supplemental Changes</b>			1,344	1,344
<b>Total Proposed Budget</b>	169.0		38,834	38,834
Difference			1,344	1,344
Percent Change	0.0%		3.6%	3.6%

**SUPPLEMENTAL CHANGES****Mortgage Broker Practices Act \***

Agency request legislation establishes a licensing system and rules of practice and conduct for mortgage brokers and loan originators. The Department of Financial Institutions is given enhanced investigative authority and licensing and examination tools necessary to address unfair and deceptive practices in the marketplace. (Financial Services Regulation Account-Nonappropriated)

**Mortgage Lending Fraud Prosecution \***

This proposed legislation is an extension of current law that provides additional expertise to pursue more complex fraud cases. The Mortgage Lending Fraud Protection Account is used only for criminal prosecution of fraudulent activities related to mortgage lending. The Attorney General and local prosecutors have used this resource to enhance law enforcement capabilities. (Mortgage Lending Fraud Protection Account-Nonappropriated)

## GOVERNMENTAL OPERATIONS

Agency 103

### Department of Community, Trade, and Economic Development

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	348.5	132,945	322,474	455,419
<b>Supplemental Changes</b>				
Aerospace Industry Outreach	.7	416		416
Community Development Block Grants	1.1		10,535	10,535
Public Works Board Client Services			160	160
ECEAP to Department of Early Learning	(6.8)	(29,531)		(29,531)
Employment Resource Center		1,600		1,600
Housing Trust Fund Operating and Maintenance Program			9,840	9,840
Housing Projects			4,000	4,000
Low Income Home Energy Assistance Program Administration	2.0			
Main Streets Revitalization	.8	183		183
SmartBuy		(203)		(203)
Pension Plan 1 Unfunded Liabilities			154	154
Classification Revisions		(3)	(4)	(7)
Central Service Agency Charges		43	35	78
<b>Subtotal - Supplemental Changes</b>	<b>(2.3)</b>	<b>(27,495)</b>	<b>24,720</b>	<b>(2,775)</b>
<b>Total Proposed Budget</b>	<b>346.2</b>	<b>105,450</b>	<b>347,194</b>	<b>452,644</b>
Difference	(2.3)	(27,495)	24,720	(2,775)
Percent Change	(0.6)%	(20.7)%	7.7%	(0.6)%

#### SUPPLEMENTAL CHANGES

##### Aerospace Industry Outreach

This new position will be responsible for completing the requirements of the Master Site Agreement and implementation of a statewide aerospace industry strategy.

##### Community Development Block Grants

Disbursement rates for grants made by the Community Development Block Grant (CDBG) program will increase. This change provides authority to spend approximately \$2 million in new federal funding for the remediation of lead-based paint hazards in low-income dwellings. (General Fund-Federal)

##### Public Works Board Client Services

The Drinking Water State Revolving Fund (DWSRF) program makes low-interest loans to improve domestic water systems. Capital funds are provided by an annual grant from the Environmental Protection Agency (EPA) and matching funds from the Public Works Assistance Account (PWAA). Administrative funds are provided in the annual EPA grant, PWAA, and Drinking Water Assistance Administrative Account. The annual grant from EPA is expected to decrease in Fiscal Year 2007. However, the number of loans made by the program is increasing as repayment revenues from previous loans are loaned out again. Additional funds from the Drinking Water Assistance Administrative Account and the PWAA will offset the projected decrease in federal funding. (Drinking Water Assistance Administrative Account-State, Public Works Assistance Account-State)



### **ECEAP to Department of Early Learning**

The Early Childhood Education Assistance Program (ECEAP) is transferred to the newly created Department of Early Learning.

### **Employment Resource Center**

Funding is provided for lease costs associated with the Employment Resource Center required by the Master Site Agreement negotiated in 2003.

### **Housing Trust Fund Operating and Maintenance Program**

The Housing Trust Fund Operating and Maintenance Program is experiencing an increased demand for subsidies to support existing projects. Accumulated revenue in the Washington Housing Trust Account is available to fund projects that have an urgent and compelling need for additional subsidies to meet both increased operating costs and to provide housing for people in poverty. (Washington Housing Trust Account-State)

### **Housing Projects**

As housing market conditions change, the percentage of previously funded Housing Trust Fund projects requesting additional resources has increased. Additional direct funding is provided for these projects. (Washington Housing Trust Account-State)

### **Low Income Home Energy Assistance Program Administration**

The Low Income Home Energy Assistance Program (LIHEAP) contracts with a network of 27 nonprofit organizations that need comprehensive technical assistance and resolution of monitoring issues. Two additional FTE staff are needed to provide administrative oversight of contractors, maintain stakeholder relationships, and to respond to the federal funding agency's requirements.

### **Main Streets Revitalization**

The Main Streets Revitalization program will help implement the new commercial district tax credit incentive program created by Chapter 514, Laws of 2005. An advisory committee will be established and staffed; a tax incentive program will be developed in cooperation with the Department of Revenue; and applications for the Business and Occupation tax credit will be reviewed and processed.

## GOVERNMENTAL OPERATIONS

Agency 104

### Economic and Revenue Forecast Council

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	5.2	1,090		1,090
<b>Supplemental Changes</b>				
Economic Trade Activities		10		10
Pension Plan 1 Unfunded Liabilities			3	3
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>		12	3	15
<b>Total Proposed Budget</b>	5.2	1,102	3	1,105
Difference		12	3	15
Percent Change	0.0%	1.1%	100.0%	1.4%

#### SUPPLEMENTAL CHANGES

##### Economic Trade Activities

The agency has undertaken economic trade activities that were not anticipated in the biennial budget.

Agency 105

**Office of Financial Management****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	270.8	33,043	72,573	105,616
<b>Supplemental Changes</b>				
Roadmap Feasibility Study	1.2		1,239	1,239
Enterprise Systems	5.3		3,118	3,118
WorkFirst Performance Team Funding	2.3	470		470
Capital Budget System Replacement			500	500
Management and Accountability Proposal #	2.5	2,768		2,768
Policy and Consensus Center		200		200
Capital Predesign Evaluations		200		200
Regulatory Improvements		550		550
Parks Capital Study		100		100
Marine Division Finance Study			200	200
Education Partnership	.3		1,216	1,216
SmartBuy		(191)		(191)
Pension Plan 1 Unfunded Liabilities			160	160
Classification Revisions			(4)	(4)
Central Service Agency Charges		183		183
<b>Subtotal - Supplemental Changes</b>	11.5	4,280	6,429	10,709
<b>Total Proposed Budget</b>	282.2	37,323	79,002	116,325
Difference	11.5	4,280	6,429	10,709
Percent Change	4.2%	13.0%	8.9%	10.1%

**SUPPLEMENTAL CHANGES****Roadmap Feasibility Study**

The roadmap process identifies the business value that can be achieved through the statewide adoption of best business practices in areas such as procurement, budgeting, asset management and accounting. Funding is provided to complete the feasibility study that identifies alternatives, costs, benefits, and risks. The study will recommend options that provide the best value to the state. (Data Processing Revolving Account-Nonappropriated)

**Enterprise Systems**

An enterprise-wide contracts management system will be developed to replace current, independent contracts management systems used by various agencies. The first phase to address grant management will be deployed by the end of this biennium. (Data Processing Revolving Account-Nonappropriated)

**WorkFirst Performance Team Funding**

Funding to maintain the WorkFirst Performance Team within the Office of Financial Management is permanently transferred from the Department of Social and Health Services.

## **GOVERNMENTAL OPERATIONS**

### **Capital Budget System Replacement**

The Office of Financial Management, in support of a Joint Legislative Audit and Review Committee study, has completed a review of the state's capital budgeting process. The review confirmed that current systems do not adequately support the process. This investment will improve capital budgeting and monitoring systems, streamline budget development tasks, and provide more information needed for decision-making. (Data Processing Revolving Account-Nonappropriated)

### **Management and Accountability Proposal #**

Funding is provided to follow up on and address the opportunities identified in the Governor's Management Accountability and Performance (GMAP) process. Staff will conduct agency performance reviews, business process redesign, agency management assessment, performance measure development, and other activities designed to bring about more effective and accountable administration of state resources.

### **Policy and Consensus Center**

Farmers are being asked to improve their environmental stewardship practices while they are also striving to maintain the economic viability of their farming operations. To address this tension, pilot projects will be identified to demonstrate ways to improve both the economic bottom line for farmers and environmental outcomes. The Washington State University and University of Washington Policy Consensus Center (PCC) will provide project coordination and technical assistance to the Office of Financial Management (OFM) and other state agencies to work with interested parties in this effort. The PCC, working through OFM, will prepare an initial report to the Governor and Legislature by September 2005, and will refine those projects identified for funding and implementation by the Governor and Legislature.

### **Capital Predesign Evaluations**

Funding is provided to evaluate five major capital project predesigns in the 2005-07 Biennium. Selected projects are estimated to cost \$5 million or more and represent a variety of agencies and project complexity. The goal of these studies is to identify cost savings early in the process on a variety of projects, and to obtain better cost estimates for use in future budget proposals. OFM will contract with a team of experts to perform an in-depth evaluation of statutorily-required elements of a project.

### **Regulatory Improvements**

The Office of Regulatory Assistance (ORA) provides facilitation, coordination, and education to improve citizen and business interactions related to state regulatory and rulemaking processes. Funding will support the Governor's Regulatory Improvement Program within ORA to improve the state's regulatory climate. ORA, in coordination with the Departments of Ecology, Fish and Wildlife, and key business licensing, taxing, and regulatory agencies, will begin implementing specific actions including expanded integration of state and local government permit teams for combined environmental review (including private development projects); expanded use of programmatic and general permits; deployment of a single portal for businesses to apply for and track permits and licenses, pay taxes, and obtain relevant regulatory information; and implementation of a broader Wetland or Conservation Banking Offsite Mitigation program.

### **Parks Capital Study**

Washington's state parks system requires capital funding for new parks, preservation of existing parks, deferred maintenance, and other capital improvements. One-time funding is provided for a contracted study of the state parks' capital budget program. The scope of the study will include, but not be limited to, processes for identifying and scoping proposed capital projects, management and administration of funded projects, and implementation of best management practices. Study recommendations will help shape implementation of the agency's 2007-09 capital budget.

### **Marine Division Finance Study**

Funding is provided for a Marine Finance Study to evaluate the sustainability of the 10-year capital and operating programs. (Motor Vehicle Account-State)

## GOVERNMENTAL OPERATIONS

### **Education Partnership**

An unanticipated receipt was received to develop a framework for delivering teaching and learning to Washington's educators, and to help raise student achievement and graduation rates within a selected K-12 at-risk student population. The goals of the partnership are to deliver 21st century skills, prepare teachers and administrators, and develop a targeted student-centered, technology-rich plan to raise student achievement and graduation rates. (General Fund-Private/Local)

## GOVERNMENTAL OPERATIONS

Agency 110

### Office of Administrative Hearings

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	166.9	29,540	29,540
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		77	77
Central Service Agency Charges		28	28
<b>Subtotal - Supplemental Changes</b>		105	105
<b>Total Proposed Budget</b>	166.9	29,645	29,645
Difference		105	105
Percent Change	0.0%	0.4%	0.4%

Agency 111

**Department of Personnel****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	213.3		54,332	54,332
<b>Supplemental Changes</b>				
HRMS Renegotiation Costs			6,400	6,400
Pay Raise Deferment Project			7,400	7,400
Safety Employees Retirement Plan	.1		125	125
Pension Plan 1 Unfunded Liabilities			102	102
Classification Revisions			(7)	(7)
Central Service Agency Charges			136	136
<b>Subtotal - Supplemental Changes</b>	0.1		14,156	14,156
<b>Total Proposed Budget</b>	213.4		68,488	68,488
Difference	.1		14,156	14,156
Percent Change	0.0%		26.1%	26.1%

**SUPPLEMENTAL CHANGES****HRMS Renegotiation Costs**

The Department of Personnel (DOP) launched the Human Resource Management System (HRMS) project in September 2003. In the spring of 2005, DOP renegotiated the project's scope and schedule. DOP is authorized to expend revenue collected from its services charge for costs related to these project changes. Agencies have sufficient funding to pay for these increased system costs. (Department of Personnel Service Account-State)

**Pay Raise Deferment Project**

The 2005-07 biennial budget directed that state employee pay increases be implemented in July for represented employees and September for nonrepresented employees. Accommodating the staggered pay raise required that significant time and resources be redirected from the HRMS project to reconfigure the old PAY1 payroll system. This reallocation of resources during a critical testing phase delayed the HRMS project by four months at a cost of \$7.9 million. The Department of Personnel received \$500,000 from the Governor's emergency fund to put towards this cost. The agency is provided the additional \$7.4 million necessary to fund this project. (Data Processing Revolving Account-Nonappropriated)

**Safety Employees Retirement Plan**

The Human Resource Management System must be modified to accommodate the Public Safety Employees Retirement System Plan 2 created during the 2004 legislative session. This plan is for public employees whose jobs contain a high degree of physical risk to their personal safety. (Data Processing Revolving Account-Nonappropriated)

## GOVERNMENTAL OPERATIONS

Agency 116

### State Lottery

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	145.1	731,675	731,675
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		43	43
Classification Revisions		(1)	(1)
Central Service Agency Charges		31	31
<b>Subtotal - Supplemental Changes</b>		73	73
<b>Total Proposed Budget</b>	145.1	731,748	731,748
Difference		73	73
Percent Change	0.0%	0.0%	0.0%



# GOVERNMENTAL OPERATIONS

Agency 117

## Washington State Gambling Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	169.4	30,766	30,766
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		74	74
Central Service Agency Charges		34	34
<b>Subtotal - Supplemental Changes</b>		108	108
<b>Total Proposed Budget</b>	169.4	30,874	30,874
Difference		108	108
Percent Change	0.0%	0.4%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 118

### Commission on Hispanic Affairs

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.0	485		485
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			1	1
Central Service Agency Charges		1		1
<b>Subtotal - Supplemental Changes</b>		1	1	2
<b>Total Proposed Budget</b>	2.0	486	1	487
Difference		1	1	2
Percent Change	0.0%	0.2%	100.0%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 119

### Commission on African-American Affairs

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.0	477		477
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			1	1
Central Service Agency Charges		1		1
<b>Subtotal - Supplemental Changes</b>		1	1	2
<b>Total Proposed Budget</b>	2.0	478	1	479
Difference		1	1	2
Percent Change	0.0%	0.2%	100.0%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 122

### Personnel Appeals Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	5.5	1,043	1,043
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		5	5
Central Service Agency Charges		2	2
Other Maintenance Level Adjustments		69	69
<b>Subtotal - Supplemental Changes</b>		76	76
<b>Total Proposed Budget</b>	5.5	1,119	1,119
Difference		76	76
Percent Change	0.0%	7.3%	7.3%

#### SUPPLEMENTAL CHANGES

##### Other Maintenance Level Adjustments

The Personnel Appeals Board's (PAB) activities will be absorbed by the Department of Personnel (DOP) and PAB will cease operations as of June 30, 2006. PAB's three board members and two exempt staff will not transition to DOP. These funds will be used to meet cashout obligations for accrued benefits for these individuals.  
(Department of Personnel Service Account-State)

Agency 124

**Department of Retirement Systems****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	272.4		49,396	49,396
<b>Supplemental Changes</b>				
PSERS Plan Qualification Costs			99	99
Plan 3 Basis Recovery	.3		372	372
Compensation Updates/Corrections			(565)	(565)
Retirement Workforce Study			750	750
Pension Plan 1 Unfunded Liabilities			118	118
Central Service Agency Charges			70	70
<b>Subtotal - Supplemental Changes</b>	0.3		844	844
<b>Total Proposed Budget</b>	272.7		50,240	50,240
Difference	.3		844	844
Percent Change	0.1%		1.7%	1.7%

**SUPPLEMENTAL CHANGES****PSERS Plan Qualification Costs**

The Department of Retirement Systems (DRS) will continue its efforts to obtain a favorable plan determination from the Internal Revenue Service (IRS) for the Public Safety Employees' Retirement System (PSERS). A favorable determination is required to qualify the plan as a tax-deferred defined benefit plan under Section 401(a) of the IRS code, which would have significant tax implications for both PSERS members and employers. Funding was provided in the 2004 legislative session for this effort, but outside tax counsel subsequently identified that the Washington Administrative Code (WAC) for PSERS must be submitted as part of the request to the IRS. Because WAC development will be finalized during Fiscal Year 2006, the funds provided for plan determination were not spent last biennium and need to be appropriated in this biennium. (Department of Retirement Systems Expense Account-State)

**Plan 3 Basis Recovery**

The department will modify its automated systems to adjust the manner in which the taxable basis of Plan 3 members' distribution (either lump sum or installment) is calculated. Tax counsel has advised the agency that this change is necessary to support the favorable plan determination recently received from the Internal Revenue Service. This determination was required to qualify the plan as a tax-deferred defined benefit plan under Section 401(a) of the Internal Revenue Code. The calculation of basis recovery can have significant tax implications for members who have received distributions from the Plan 3 systems. (Department of Retirement Systems Expense Account-State)

**Compensation Updates/Corrections**

Funding is reduced for this activity to reflect lower costs due to changes in bargaining units as well as technical corrections. (Department of Retirement Systems Expense Account-State, Dependent Care Administrative Account-State, Deferred Compensation Administrative Account-Nonappropriated)

## **GOVERNMENTAL OPERATIONS**

### **Retirement Workforce Study**

DRS will analyze how the recruitment and retention of a highly skilled accountable workforce is impacted by human resource and retirement system policies and practices. The study will provide information and recommendations regarding how the state can structure its human resource and retirement practices to address the diverse needs of the changing workforce. (Department of Retirement Systems Expense Account-State)

Agency 126

**State Investment Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	72.0	16,020	16,020
<b>Supplemental Changes</b>			
Network Changes		55	55
Pension Plan 1 Unfunded Liabilities		37	37
Central Service Agency Charges		11	11
<b>Subtotal - Supplemental Changes</b>		103	103
<b>Total Proposed Budget</b>	72.0	16,123	16,123
Difference		103	103
Percent Change	0.0%	0.6%	0.6%

**SUPPLEMENTAL CHANGES****Network Changes**

The Washington State Investment Board is provided additional funding in order to comply with Department of Information Services' policies and connectivity standards for connections to vendors outside of the state government network. The Board will also increase its network connection capacity. (State Investment Board Expense Account-State)

## GOVERNMENTAL OPERATIONS

Agency 130

### Public Printer

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	137.8	65,767	65,767
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		46	46
Central Service Agency Charges		17	17
<b>Subtotal - Supplemental Changes</b>		63	63
<b>Total Proposed Budget</b>	137.8	65,830	65,830
Difference		63	63
Percent Change	0.0%	0.1%	0.1%



Agency 140

**Department of Revenue****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,064.7	181,548	12,039	193,587
<b>Supplemental Changes</b>				
Automated Tax Information System Grants			3,900	3,900
Streamlined Sales Tax *	.8	223		223
Excise Tax Relief for Aerospace Businesses *		44		44
5 Percent Penalty Issuances/Tax Reporting *	.4	108		108
Legal Costs		392		392
SmartBuy		(1,249)		(1,249)
Pension Plan 1 Unfunded Liabilities			474	474
Classification Revisions		(5)		(5)
Central Service Agency Charges		163	5	168
<b>Subtotal - Supplemental Changes</b>	1.2	(324)	4,379	4,055
<b>Total Proposed Budget</b>	1,065.9	181,224	16,418	197,642
Difference	1.2	(324)	4,379	4,055
Percent Change	0.1%	(0.2)%	36.4%	2.1%

**SUPPLEMENTAL CHANGES****Automated Tax Information System Grants**

Legislation was enacted during the 2005 legislative session that directs part of the real estate excise tax into a fund for the creation of an automated tax information system. The legislation also directed the department to make grants to cities and towns for this purpose. (Real Estate Excise Tax Grant Account-State)

**Streamlined Sales Tax \***

Legislation is proposed to bring Washington State into full conformity with the Streamlined Sales and Use Tax Administration Agreement. Full conformity will allow the department to be a voting member of the Streamlined Sales Tax Project at a national level. The goal of the project is to simplify tax administration for both retailers and state tax agencies.

**Excise Tax Relief for Aerospace Businesses \***

Proposed legislation reduces the business and occupation tax rate for aviation repair services, requires accountability report from claimants, and stipulates electronic filing by claimants. The legislation also extends tax incentives to persons engaged in research, design, and engineering of airplanes and airplane components. The executive request legislation reflects the administrative cost to implement these changes.

**5 Percent Penalty Issuances/Tax Reporting \***

The 5 percent penalty upon issuance of all tax assessments, including balance due notices, audit assessments, and warrants for collection, instituted in 2003 is repealed. The due date for reporting and paying excise taxes for monthly filers is moved from the 25th of each month to the 20th of each month.

## **GOVERNMENTAL OPERATIONS**

### **Legal Costs**

The Attorney General was given additional staff in the 2005-07 operating budget to assist with lawsuits challenging the state's property tax valuation procedures; however, the corresponding funding increases was not made to the Department of Revenue's budget.

## GOVERNMENTAL OPERATIONS

Agency 142

### Board of Tax Appeals

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	12.5	2,573		2,573
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			6	6
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>		2	6	8
<b>Total Proposed Budget</b>	12.5	2,575	6	2,581
Difference		2	6	8
Percent Change	0.0%	0.1%	100.0%	0.3%

## GOVERNMENTAL OPERATIONS

Agency 147

### Office of Minority and Women's Business Enterprises

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	17.0	3,186	3,186
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		7	7
Central Service Agency Charges		3	3
<b>Subtotal - Supplemental Changes</b>		10	10
<b>Total Proposed Budget</b>	17.0	3,196	3,196
Difference		10	10
Percent Change	0.0%	0.3%	0.3%

Agency 150

**Department of General Administration****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	573.3	554	132,436	132,990
<b>Supplemental Changes</b>				
High Performance Public Buildings	1.5		256	256
Resource Conservation Manager	1.3			
SmartBuy		(2)		(2)
Pension Plan 1 Unfunded Liabilities			207	207
Classification Revisions			(7)	(7)
Central Service Agency Charges		1	110	111
<b>Subtotal - Supplemental Changes</b>	2.8	(1)	566	565
<b>Total Proposed Budget</b>	576.1	553	133,002	133,555
Difference	2.8	(1)	566	565
Percent Change	0.5%	(0.2)%	0.4%	0.4%

**SUPPLEMENTAL CHANGES****High Performance Public Buildings**

Funding and staff are added to support the High Performance Public Buildings legislation enacted in the 2005 legislative session.

**Resource Conservation Manager**

Although the Department of General Administration has achieved considerable energy savings on the capitol campus, opportunities for additional savings are not being realized because no single person has the sole responsibility for maximizing utility savings. The community college campuses also have great potential to generate energy savings. In cooperation with private utilities, the department will hire two resource conservation managers to achieve additional electrical and natural gas savings on the capitol campus and on community college campuses across the state.

## GOVERNMENTAL OPERATIONS

Agency 155

### Department of Information Services

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	436.6		220,511	220,511
<b>Supplemental Changes</b>				
Business Continuity			2,950	2,950
National Criminal History Improvement Program Grant	.3		350	350
Pension Plan 1 Unfunded Liabilities			211	211
Classification Revisions			(17)	(17)
Central Service Agency Charges			61	61
<b>Subtotal - Supplemental Changes</b>	0.3		3,555	3,555
<b>Total Proposed Budget</b>	436.9		224,066	224,066
Difference	.3		3,555	3,555
Percent Change	0.1%		1.6%	1.6%

#### SUPPLEMENTAL CHANGES

##### Business Continuity

A disaster recovery computer center established in Union Gap will be utilized by additional agencies. The center will enable the state to deliver vital government services to citizens if server-based computer systems in Olympia are disrupted. (Data Processing Revolving Account-Nonappropriated)

##### National Criminal History Improvement Program Grant

The Department of Information Services (DIS) will assume authority and oversight responsibilities for the National Criminal History Improvement Program (NCHIP) grant. This had previously been assigned to the Office of Financial Management. In 2005, the Legislature funded the Justice Information Network within DIS; administering the NCHIP grant aligns with those responsibilities. (General Fund-Federal)

Agency 160

**Office of Insurance Commissioner****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	206.7		40,926	40,926
<b>Supplemental Changes</b>				
Independent Analysis of Healthcare			200	200
Additional Federal Grants	.7		838	838
Pension Plan 1 Unfunded Liabilities			98	98
Classification Revisions			(27)	(27)
Central Service Agency Charges			32	32
<b>Subtotal - Supplemental Changes</b>	0.7		1,141	1,141
<b>Total Proposed Budget</b>	207.3		42,067	42,067
Difference	.7		1,141	1,141
Percent Change	0.3%		2.8%	2.8%

**SUPPLEMENTAL CHANGES****Independent Analysis of Healthcare**

The Office of the Insurance Commissioner will hire consultants who will provide independent, specific, and unique expertise to the agency on issues related to healthcare reform and the regulation of insurers. (Insurance Commissioner's Regulatory Account-State)

**Additional Federal Grants**

The Office of the Insurance Commissioner (OIC) is provided increased expenditure authority for federal grants that are received on a regular basis. (General Fund-Federal)

## GOVERNMENTAL OPERATIONS

Agency 165

### Board of Accountancy

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	9.3	1,962	1,962
<b>Supplemental Changes</b>			
Investigative Workload Increase	1.0	268	268
Pension Plan 1 Unfunded Liabilities		3	3
Central Service Agency Charges		3	3
<b>Subtotal - Supplemental Changes</b>	1.0	274	274
<b>Total Proposed Budget</b>	10.3	2,236	2,236
Difference	1.0	274	274
Percent Change	10.8%	14.0%	14.0%

#### SUPPLEMENTAL CHANGES

##### Investigative Workload Increase

Additional funding is provided to the Board of Accountancy to support investigations not anticipated in the 2005-07 biennial budget. (Certified Public Accountants' Account-State)



## GOVERNMENTAL OPERATIONS

Agency 167

### Forensic Investigations Council

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>		282	282
<b>Supplemental Changes</b>			
Central Service Agency Charges		1	1
<b>Subtotal - Supplemental Changes</b>		1	1
<b>Total Proposed Budget</b>		283	283
Difference		1	1
Percent Change		0.4%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 185

### Horse Racing Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	28.5	8,609	8,609
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		13	13
Central Service Agency Charges		5	5
<b>Subtotal - Supplemental Changes</b>		18	18
<b>Total Proposed Budget</b>	28.5	8,627	8,627
Difference		18	18
Percent Change	0.0%	0.2%	0.2%

Agency 195

**Liquor Control Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,024.1	3,445	190,103	193,548
<b>Supplemental Changes</b>				
Distribution Center Maintenance			1,647	1,647
Costco Lawsuit Defense	.5		471	471
Public Records Officer	1.0		92	92
Training Costs	8.5		850	850
Vehicle Replacement Program			56	56
Direct Wine Sales *	2.3		602	602
SmartBuy		(22)		(22)
Pension Plan 1 Unfunded Liabilities			282	282
Classification Revisions			(78)	(78)
Central Service Agency Charges		14	167	181
Nonappropriated Fund Adjustment				
<b>Subtotal - Supplemental Changes</b>	12.3	(8)	4,089	4,081
<b>Total Proposed Budget</b>	1,036.4	3,437	194,192	197,629
Difference	12.3	(8)	4,089	4,081
Percent Change	1.2%	(0.2)%	2.2%	2.1%

**SUPPLEMENTAL CHANGES****Distribution Center Maintenance**

The Seattle distribution center has been running at full capacity since opening in 2002. Extended use of equipment has resulted in breakdowns that have caused higher than anticipated costs. This item also includes annual maintenance and service contracts. (Liquor Revolving Account-State)

**Costco Lawsuit Defense**

Litigation expenses for a lawsuit filed by Costco Wholesale Corporation may continue this biennium. (Liquor Revolving Account-State)

**Public Records Officer**

One additional FTE staff is added in response to an increasing number of public records requests. (Liquor Revolving Account-State)

**Training Costs**

Funding is provided for the cost of mandatory training sessions and for 8.5 FTE staff to backfill existing positions while employees attend training sessions. (Liquor Revolving Account-State)

**Vehicle Replacement Program**

The agency currently leases 38 vehicles from the State Motor Pool to support non-enforcement activities. The agency will transition the remaining 10 vehicles in its non-enforcement fleet to leased vehicles from the State Motor Pool. (Liquor Revolving Account-State)

## **GOVERNMENTAL OPERATIONS**

### **Direct Wine Sales \***

The Liquor Control Board (LCB) has proposed legislation that will require out-of-state wineries to purchase a permit from the LCB. Funding is provided to implement this legislation. (Liquor Revolving Account-State)

### **Nonappropriated Fund Adjustment**

Funds are transferred from an appropriated account to a nonappropriated account to pay for boxes, location labels, and sealing tape. (Liquor Revolving Account-State/Nonappropriated)

Agency 215

**Utilities and Transportation Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	154.0	33,349	33,349
<b>Supplemental Changes</b>			
Low-Income Home Energy Assistance #		7,600	7,600
Pension Plan 1 Unfunded Liabilities		74	74
Fuel Rate Adjustment		28	28
Central Service Agency Charges		29	29
<b>Subtotal - Supplemental Changes</b>		7,731	7,731
<b>Total Proposed Budget</b>	154.0	41,080	41,080
Difference		7,731	7,731
Percent Change	0.0%	23.2%	23.2%

**SUPPLEMENTAL CHANGES****Low-Income Home Energy Assistance #**

Due to extraordinarily high winter energy costs, expedited executive request legislation (Z-0839.3/06) will allow funding from the Public Service Revolving Fund to transfer to the Low-Income Home Energy Assistance Program (LIHEAP) at the Department of Community, Trade, and Economic Development. (Public Service Revolving Fund-State)

**Fuel Rate Adjustment**

One-time funding is provided for increases in fuel and energy-related costs in Fiscal Year 2006. (Public Service Revolving Fund-State, Pipeline Safety Account-State)

## GOVERNMENTAL OPERATIONS

Agency 220

### Board for Volunteer Firefighters

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	3.8	843	843
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		1	1
Technical Corrections			
Central Service Agency Charges		86	86
<b>Subtotal - Supplemental Changes</b>		87	87
<b>Total Proposed Budget</b>	3.8	930	930
Difference		87	87
Percent Change	0.0%	10.3%	10.3%

#### SUPPLEMENTAL CHANGES

##### Technical Corrections

A technical error was made in the 2005-07 biennial budget when some budget items were coded to a nonappropriated account rather than to the agency's appropriated account. This item corrects that error. (Volunteer Firefighters\Reserve Law Enforcement Officers Administrative Account-State)

## GOVERNMENTAL OPERATIONS

Agency 245

### Military Department

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	285.4	19,446	250,555	270,001
<b>Supplemental Changes</b>				
Anti-Terrorism Officer	.9		170	170
Washington Youth Academy		691	1,000	1,691
Tsunami Warning Radios		500		500
Disaster Assistance Project			(6,528)	(6,528)
Update to Chemical Stockpile Emergency Preparedness Program			1,962	1,962
Additional Federal Homeland Security Grants	2.5		46,026	46,026
Local Program Training Support		150		150
SmartBuy		(102)		(102)
Pension Plan 1 Unfunded Liabilities			112	112
Classification Revisions		3	16	19
Utility Rate Adjustments		52	120	172
Central Service Agency Charges		73		73
<b>Subtotal - Supplemental Changes</b>	<b>3.4</b>	<b>1,367</b>	<b>42,878</b>	<b>44,245</b>
<b>Total Proposed Budget</b>	<b>288.8</b>	<b>20,813</b>	<b>293,433</b>	<b>314,246</b>
Difference	3.4	1,367	42,878	44,245
Percent Change	1.2%	7.0%	17.1%	16.4%

#### SUPPLEMENTAL CHANGES

##### Anti-Terrorism Officer

The Military Department will hire an anti-terrorism officer for the Army National Guard. This position is newly created and funded through the Federal-State Cooperative Agreement from the National Guard Bureau. The officer will manage the Washington National Guard's anti-terrorism program. (General Fund-Federal)

##### Washington Youth Academy

The Washington Youth Academy is a nationally recognized program that provides high school credits and work skills to 16- to 18-year-old students in a structured learning environment. After completing this 22-week program, the students can return to high school to complete their remaining graduation requirements. In addition, each student receives one year of one-on-one mentoring. The federal government provides 60 percent of the funding through the National Guard Bureau to operate the academy. (General Fund-State, General Fund-Federal)

##### Tsunami Warning Radios

Funds are provided for the installation of at least ten All Hazard Alert Broadcast radios along Washington's coast.

## **GOVERNMENTAL OPERATIONS**

### **Disaster Assistance Project**

Public Assistance Program cost estimates for the Nisqually Earthquake and October 2003 floods have decreased. Some projects previously in appeal have been denied and cost overruns have decreased as projects close out. Funds are provided to complete two items that are not eligible for Federal Emergency Management Agency reimbursement. These items are the Graham Hill Water project, and an evaluation of insurance waivers conducted by the Office of the Insurance Commissioner. Funding for these projects was originally appropriated during the 2003-05 Biennium, but the projects are not yet complete. (Nisqually Earthquake Account-State/Federal, Disaster Response Account-State/Federal)

### **Update to Chemical Stockpile Emergency Preparedness Program**

The budget for the Chemical Stockpile Emergency Preparedness program is expected to increase over the next three federal fiscal years. The budget is updated every year, and it is now projected to exceed the agency's current expenditure authority level. (General Fund-Federal)

### **Additional Federal Homeland Security Grants**

Expenditure authority is increased for the Federal Fiscal Year 2005 Buffer Zone Protection and Transit Security Grant programs, as well as the Federal Fiscal Year 2006 Homeland Security grant anticipated to be awarded in Spring 2006. The agency is also provided additional staff to work on homeland security initiatives. (General Fund-Federal)

### **Local Program Training Support**

Funding is provided to develop and offer training to help local program staff meet the standards set by the Emergency Management Division.

### **Utility Rate Adjustments**

Funding is provided for utility rate increases that have impacted the operation of facilities statewide. (General Fund-State, General Fund-Federal)



# GOVERNMENTAL OPERATIONS

Agency 275

## Public Employment Relations Commission

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	42.7	5,600	2,945	8,545
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			24	24
Central Service Agency Charges		6		6
<b>Subtotal - Supplemental Changes</b>		6	24	30
<b>Total Proposed Budget</b>	42.7	5,606	2,969	8,575
Difference		6	24	30
Percent Change	0.0%	0.1%	0.8%	0.4%

## GOVERNMENTAL OPERATIONS

Agency 341

### Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	6.0	1,908	1,908
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		3	3
Central Service Agency Charges		1	1
<b>Subtotal - Supplemental Changes</b>		4	4
<b>Total Proposed Budget</b>	6.0	1,912	1,912
Difference		4	4
Percent Change	0.0%	0.2%	0.2%

Agency 355

**Department of Archaeology and Historic Preservation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	16.6	1,473	1,776	3,249
<b>Supplemental Changes</b>				
Lower Elwha Klallam Tribe v. Washington			236	236
Pension Plan 1 Unfunded Liabilities			7	7
<b>Subtotal - Supplemental Changes</b>			243	243
<b>Total Proposed Budget</b>	16.6	1,473	2,019	3,492
Difference			243	243
Percent Change	0.0%	0.0%	13.7%	7.5%

**SUPPLEMENTAL CHANGES****Lower Elwha Klallam Tribe v. Washington**

One-time funding is provided for Assistant Attorney General staff support for the Lower Elwha Klallam Tribe v. Washington State (Graving Dock) case. Legal services are required for negotiations and possible litigation over a Native American burial site that was disrupted during the construction of a dock necessary for the Hood Canal bridge reconstruction. State agencies involved in the case include the Department of Transportation and the Department of Archaeology and Historic Preservation. (Motor Vehicle Account-State)

## GOVERNMENTAL OPERATIONS

Agency 476

### Growth Management Hearings Office

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	12.0	3,158		3,158
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			8	8
Central Service Agency Charges		3		3
<b>Subtotal - Supplemental Changes</b>		3	8	11
<b>Total Proposed Budget</b>	12.0	3,161	8	3,169
Difference		3	8	11
Percent Change	0.0%	0.1%	100.0%	0.3%

## GOVERNMENTAL OPERATIONS

Agency 550

### State Convention and Trade Center

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	161.0	76,982	76,982
<b>Supplemental Changes</b>			
Central Service Agency Charges		21	21
<b>Subtotal - Supplemental Changes</b>		21	21
<b>Total Proposed Budget</b>	161.0	77,003	77,003
Difference		21	21
Percent Change	0.0%	0.0%	0.0%



Agency 300

## Department of Social and Health Services

## Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	17,984.2	7,883,928	9,333,130	17,217,058
<b>Supplemental Changes</b>				
Infant Toddler Early Intervention Program Grant	10.5		5,170	5,170
Employer-Sponsored Insurance Program	6.0	(107)	(105)	(212)
Special Commitment Center Health Cost Increase		294		294
Children's Health Program				
Mental Health Beds	3.3	343		343
WorkFirst Performance Team Funding		(470)		(470)
WorkFirst Funding Shortfall		46,000		46,000
Utilization and Other Rate Changes		(45,129)	91,387	46,258
Kidney Disease Forecast Correction		4,038		4,038
Medicare Part D Update		4,034		4,034
Middle Management Reduction	(2.1)			
Real Choice Grant - Technical Correction			564	564
Headquarters Cost Allocation Change		845	(845)	
Agency Provider Wage Supplement		94	94	188
Spokane County Lawsuit		520		520
Western State Hospital Ward Expansion	52.2	6,949	523	7,472
Pierce County Lawsuit		2,151		2,151
Mental Health Transformation Grant	2.0		2,730	2,730
Placement Evaluations		270		270
Supervised Visitation		1,439	566	2,005
Remove Residual Victim of Crime Act Authority			(580)	(580)
Braam Settlement Attorney's Fees		200		200
Bellevue Office Relocation One-Time Cost		265	137	402
Child Services Reform Funding Shortfall	55.0	6,238	2,673	8,911
Replace Child Welfare Information System	3.8	3,802	3,802	7,604
Extraordinary Med Costs	1.1	514		514
Green Hill School - Technical Adjustment	5.7	476		476
HB 2073/SB 5719 - Technical Adjustment		785		785
Meningococcal Vaccination Program		145		145
Secure Community Transition Facilities Workload	(2.0)	(514)		(514)
Adjustments				
State Hospital Revenue Adjustments		7,856	(7,856)	
Staffing Workload Standards	3.6	297	199	496
Basic/Basic Plus Waiver Growth		350	(350)	
Forecast Cost/Utilization		6,971	8,450	15,421
Head Start Collaboration Transfer	(.8)		(180)	(180)
Child Support Incentives		8,641	(3,931)	4,710
Incapacity Exams		2,014	504	2,518
Supplemental Security Income Payment Maintenance of Effort Correction		2,168		2,168

## HUMAN SERVICES - DSHS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Medical Management Information System Reprocurement	9.5	538	4,988	5,526
Expand Provider Review and Prior Authorization	4.0	(3,129)	(3,129)	(6,258)
Transfer to Department of Services for the Blind		(107)	(391)	(498)
Special Commitment Center Ombudsman Transfer				
Transfer Attorney General Funding				
Fee Increase For County Office of Financial Recovery Liens		104	48	152
Resource Conservation Manager	.7			
Agency Provider Health Premium Correction		17,581	18,203	35,784
Loss of Alien Emergency Medical Program Eligibility		971	(971)	
Contracted Services Shortfall		119	54	173
Office of Administrative Hearings Shortfall		558	418	976
Dependency Litigation Workload		233	82	315
Sexually Violent Predator Caseload Increase		992		992
Office of Administrative Hearings Caseload Increase		108	79	187
GAAP Accounting for Drug Rebates		4,897	4,902	9,799
Chemical Dependency Specialists		572	(1,144)	(572)
Federal Funds for Snohomish County Treatment Program			12,000	12,000
Delayed and Reduced Preferred Drug Project Expansion		3,833	3,263	7,096
Certified Public Expenditure Program		12,706	(25,853)	(13,147)
Statewide Leased Facilities Implementation Transfer				
Federal Funds Technical Adjustment				
L&I Rate Adjustments		1,008	393	1,401
Forensic Admission Staff-Eastern State Hospital	11.3	1,327	466	1,793
Food Service Aides Costs	6.9	605		605
Additional Federal Grants	10.9		15,921	15,921
Fund Source Adjustments		1,755	(1,755)	
SmartBuy		(7,560)		(7,560)
Pension Plan 1 Unfunded Liabilities			7,256	7,256
Classification Revisions		188	6	194
Technical Corrections	15.4	4,124	429	4,553
Fuel Rate Adjustment		100	26	126
Lease Rate Adjustments		1,367	879	2,246
Mileage Rate Adjustments		473	298	771
Utility Rate Adjustments		625	94	719
Central Service Agency Charges		2,556		2,556
Mandatory Caseload Adjustments		(9,330)	12,169	2,839
Mandatory Workload Adjustments	(20.0)	(4,657)	237	(4,420)
Other Fund Adjustments			(150)	(150)
Federal Medical Assistance Percentage Match Adjustment		(4,582)	4,582	
Equipment Replacement Costs		475	46	521
Unanticipated Receipts not in Carry Forward Level	2.5		1,142	1,142
<b>Subtotal - Supplemental Changes</b>	<b>179.4</b>	<b>89,929</b>	<b>157,540</b>	<b>247,469</b>
<b>Total Proposed Budget</b>	<b>18,163.6</b>	<b>7,973,857</b>	<b>9,490,670</b>	<b>17,464,527</b>
Difference	179.4	89,929	157,540	247,469
Percent Change	1.0%	1.1%	1.7%	1.4%



Program 010

**DSHS - Children's Administration****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2,464.7	517,355	434,065	951,420
<b>Supplemental Changes</b>				
Middle Management Reduction	(40.0)	(1,518)	(2,480)	(3,998)
Placement Evaluations		270		270
Supervised Visitation		1,439	566	2,005
Remove Residual Victim of Crime Act Authority			(580)	(580)
Braam Settlement Attorney's Fees		200		200
Bellevue Office Relocation One-Time Cost		119	51	170
Child Services Reform Funding Shortfall	55.0	6,238	2,673	8,911
Replace Child Welfare Information System	3.8	3,802	3,802	7,604
Chemical Dependency Specialists		572	(1,144)	(572)
Statewide Leased Facilities Implementation Transfer	(.9)	(120)	(50)	(170)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		38	12	50
Pension Plan 1 Unfunded Liabilities			1,012	1,012
Technical Corrections	11.8	738	1,316	2,054
Fuel Rate Adjustment		17	7	24
Lease Rate Adjustments		1,539	707	2,246
Mileage Rate Adjustments		208	89	297
Mandatory Caseload Adjustments		16,801	9,727	26,528
Federal Medical Assistance Percentage Match Adjustment		(153)	153	
<b>Subtotal - Supplemental Changes</b>	29.7	30,190	15,861	46,051
<b>Total Proposed Budget</b>	2,494.4	547,545	449,926	997,471
Difference	29.7	30,190	15,861	46,051
Percent Change	1.2%	5.8%	3.7%	4.8%

**SUPPLEMENTAL CHANGES****Middle Management Reduction**

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into program budgets. This step nets to zero agency wide. (General Fund-State, General Fund-Federal)

**Placement Evaluations**

The forecast costs associated with placement evaluations have increased.

**Supervised Visitation**

Costs associated with supervised visitation are also forecasted to increase. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Remove Residual Victim of Crime Act Authority**

The 2005-07 enacted budget transferred the Victim of Crime Act (VOCA) grant from the Department of Social and Health Services (DSHS) to the Department of Community, Trade and Economic Development (CTED). Expenditure authority for VOCA funds is removed from the Children's Administration budget. (General Fund-Federal)

### **Braam Settlement Attorney's Fees**

The Braam v. the Department of Social and Health Services settlement requires that the Department pay \$100,000 in attorney fees by August 1, 2005, and an additional \$100,000 by August 1, 2006. Funding is provided to fulfill the terms of the settlement.

### **Bellevue Office Relocation One-Time Cost**

One-time funding is provided to relocate the Bellevue office in accordance with the leased facilities strategic plan to implement efficiencies and to reduce facility costs by co-locating offices with other Department of Social and Health Services programs. (General Fund-State, General Fund-Federal)

### **Child Services Reform Funding Shortfall**

A technical correction is made to the funding received in the 2005-07 Biennial Budget to enable full implementation of Child Protection Services and Child Welfare Services (CPS/CWS) reform. Funding is provided to cover the entire cost of the FTE staff added in the 2005-07 budget. In addition, funds are provided to increase the number of children who are seen every 30 days. (General Fund-State, General Fund-Federal)

### **Replace Child Welfare Information System**

The Department will select a statewide automated child welfare information system (SACWIS), hire an implementation vendor, and perform initial implementation work. Successful implementation of a proven SACWIS will support Child Protective Services and Child Welfare Services reform by providing the integrated data-driven decision support required by professional field staff. This system will also measure performance-based outcomes for children and families. (General Fund-State, General Fund-Federal)

### **Chemical Dependency Specialists**

An increase is made to the state funding for on-site chemical dependency services to fully implement the program. Children's Administration cannot earn the level of federal Medicaid assumed in the 2005-07 Biennial Budget. (General Fund-State, General Fund-Federal)

### **Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

### **Federal Funds Technical Adjustment**

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match that will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

### **L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

### **Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services, information services, Domestic Violence Prevention (HB 1314), Child Abuse and Neglect (ESSB 5922), and targeted vendor rate transfers. (General Fund-State, General Fund-Federal)

### **Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)

**Lease Rate Adjustments**

The Department needs additional funding to pay for leases during the 2005-07 Biennium. (General Fund-State, General Fund-Federal)

**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Mandatory Caseload Adjustments**

The November 2005 forecast adopted by the Caseload Forecast Council assumed a per capita amount for adoption support of \$597 per month in Fiscal Year 2006 and \$615 per month in Fiscal Year 2007. The per capita cost of foster care was raised to \$1,592 per month in Fiscal Year 2006 and \$1,640 per month in Fiscal Year 2007. Funding is provided for these increased support amounts. (General Fund-State, General Fund-Federal)

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). Effective October 1, 2006, these changes will increase the match on Medicaid expenditures from 50.00 percent to 50.12 percent. (General Fund-State; General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 020

### DSHS - Juvenile Rehabilitation

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,127.0	159,568	51,102	210,670
<b>Supplemental Changes</b>				
Mental Health Beds	3.3	343		343
Extraordinary Med Costs	1.1	514		514
Green Hill School - Technical Adjustment	5.7	476		476
HB 2073/SB 5719 - Technical Adjustment		785		785
Meningococcal Vaccination Program		145		145
Statewide Leased Facilities Implementation Transfer	(.2)	(24)	(4)	(28)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		66	3	69
Fund Source Adjustments		110	(110)	
Pension Plan 1 Unfunded Liabilities			467	467
Classification Revisions		10		10
Technical Corrections		(27)	8	(19)
Fuel Rate Adjustment		43		43
Mileage Rate Adjustments		3		3
Utility Rate Adjustments		180		180
Mandatory Workload Adjustments	(29.5)	(5,450)	(486)	(5,936)
Federal Medical Assistance Percentage Match Adjustment		(5)	5	
Equipment Replacement Costs		307		307
<b>Subtotal - Supplemental Changes</b>	(19.7)	(2,524)	(117)	(2,641)
<b>Total Proposed Budget</b>	1,107.4	157,044	50,985	208,029
Difference	(19.7)	(2,524)	(117)	(2,641)
Percent Change	(1.7)%	(1.6)%	(0.2)%	(1.3)%

#### SUPPLEMENTAL CHANGES

##### Mental Health Beds

The mental health services adjustment funds mental health living units at Echo Glen Children's Center (16 beds) and Maple Lane School (48 beds) to address the higher service levels needed by Juvenile Rehabilitation Administration (JRA) mental health youth. This funding enables JRA to reinvest savings from the forecast reduction into staffing for mental health living units.

##### Extraordinary Med Costs

Juvenile Rehabilitation Administration has incurred extraordinary medical and security costs for two youth.

##### Green Hill School - Technical Adjustment

An adjustment is made to recover costs for the minimum staffing level required for operation of a 48-bed program at Green Hill School.

**HB 2073/SB 5719 - Technical Adjustment**

Senate Bill 5719, which created a community commitment disposition alternative pilot program, was vetoed. Funding for SB 5719 resided in a proviso that lapsed because the policy bill did not pass. The same proviso contained funding for HB 2073, which did pass. This step restores funding for HB 2073.

**Meningococcal Vaccination Program**

Funding is provided for the implementation of a meningococcal vaccination program for youth at Juvenile Rehabilitation Administration institutions. These vaccinations are recommended by the American Academy of Pediatrics.

**Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency wide. (General Fund-State, General Fund-Federal)

**Federal Funds Technical Adjustment**

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match which will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

**L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

**Fund Source Adjustments**

Adjustments are made to various fund sources to reflect actual usage. (Juvenile Accountability Incentive Account-Federal)

**Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services and information services. (General Fund-State, General Fund-Federal)

**Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)

**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Utility Rate Adjustments**

Rates for electricity, natural gas, water, sewage, and other utilities have increased in Fiscal Year 2006. Funding is provided to cover these increases. (General Fund-State, General Fund-Federal)

**Mandatory Workload Adjustments**

The November 2005 forecast adopted by the Caseload Forecast Council assumed a lower Juvenile Rehabilitation workload for for the 2005-07 Biennium. (General Fund-State, General Fund-Federal)

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). Effective October 1, 2006, these changes will increase the match on Medicaid expenditures from 50.00 percent to 50.12 percent. (General Fund-State; General Fund-Federal)

**Equipment Replacement Costs**

Equipment critical to the health and safety needs of the staff, clients, and public will be replaced.

## HUMAN SERVICES - DSHS

Program 030

### DSHS - Mental Health

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	3,231.2	844,678	528,368	1,373,046
<b>Supplemental Changes</b>				
Special Commitment Center Health Cost Increase		294		294
Headquarters Cost Allocation Change		845	(845)	
Spokane County Lawsuit		520		520
Western State Hospital Ward Expansion	52.2	6,949	523	7,472
Pierce County Lawsuit		2,151		2,151
Secure Community Transition Facilities Workload Adjustments	(2.0)	(514)		(514)
State Hospital Revenue Adjustments		7,856	(7,856)	
Special Commitment Center Ombudsman Transfer	(3.0)	(461)		(461)
Transfer Attorney General Funding		(3,507)		(3,507)
Statewide Leased Facilities Implementation Transfer		(4)		(4)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		457	69	526
Forensic Admission Staff-Eastern State Hospital	11.3	1,327	466	1,793
Food Service Aides Costs	6.9	605		605
Pension Plan 1 Unfunded Liabilities			1,262	1,262
Classification Revisions		195	22	217
Technical Corrections		(71)	(14)	(85)
Fuel Rate Adjustment		23		23
Mileage Rate Adjustments		17		17
Utility Rate Adjustments		216	(8)	208
Mandatory Caseload Adjustments		(66)	(68)	(134)
Federal Medical Assistance Percentage Match Adjustment		(311)	311	
Equipment Replacement Costs		168	46	214
<b>Subtotal - Supplemental Changes</b>	65.4	16,689	(6,092)	10,597
<b>Total Proposed Budget</b>	3,296.6	861,367	522,276	1,383,643
Difference	65.4	16,689	(6,092)	10,597
Percent Change	2.0%	2.0%	(1.2)%	0.8%

#### SUPPLEMENTAL CHANGES

##### Special Commitment Center Health Cost Increase

The Special Commitment Program has experienced an increase in medical costs from the level anticipated in the 2005-07 Biennial Budget. Nursing services increased by 5 percent, dental services by 27 percent, and pharmaceuticals by 17 percent. In addition, the SCC physical therapist contract increased by 34 percent.

**Headquarters Cost Allocation Change**

The Centers for Medicare and Medicaid Services reimburses the state for administrative overhead costs according to an approved cost allocation plan. Federal funds were reduced for community mental health services in the 2005-07 Biennial Budget. Funding is provided to meet the required cost allocation funding formula for administering the program. (General Fund State, General Fund Federal)

**Spokane County Lawsuit**

An additional \$520,000 in general fund-state is provided for Fiscal Year 2006 to settle all claims in the County of Spokane v. State of Washington Department of Social and Health Services and Dennis Braddock case.

**Western State Hospital Ward Expansion**

Funding is provided to open one new adult psychiatric unit and to hire 20 additional persons in Western State Hospital's Program for Adaptive Living Skills (PALS). The PALS funding represents costs associated with census overage from October through November 2005. The new unit opens on December 1, 2005. (General Fund-State, General Fund-Private/Local).

**Pierce County Lawsuit**

Funding is provided for Fiscal Year 2006 to comply with and satisfy the final court order and judgment in the Pierce County, et al v. State of Washington and State of Washington Department of Social and Health Services lawsuit.

**Secure Community Transition Facilities Workload Adjustments**

Funding is provided for medical and support services for conditionally released residents to the secure community transition facilities in King and Pierce counties and those living in other community settings.

**State Hospital Revenue Adjustments**

A fund source adjustment is made among federal, state, and local appropriations to align expenditures with projected revenues in the state hospitals. The revenue adjustments are based on actual earnings by all state hospitals through October 2005. (General Fund-State, General Fund-Federal, General Fund-Private/Local).

**Special Commitment Center Ombudsman Transfer**

Funding for the Special Commitment Center ombudsman and two resident advocate positions are transferred from the Special Commitment Center to the Management Services Administration.

**Transfer Attorney General Funding**

Appropriations for Attorney General services related to the Special Commitment Center (SCC) and sexually violent predators are transferred out of the Mental Health Program and into Program 145, Payments to Other Agencies. SCC expenditures will be tracked separately for reporting purposes.

**Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency wide.

**Federal Funds Technical Adjustment**

This spending plan for federal funds is adjusted between federal account types to reflect the source of federal match that will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

**L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

**Forensic Admission Staff-Eastern State Hospital**

Criminal courts refer individuals to state hospitals for competency restoration so that they are able to stand for trial. Eastern State Hospital continues to receive more forensic clients than its budgeted capacity. The hospital is given funding for the staff and operating costs necessary to serve the additional forensic population within Eastern State. The increased funding is effective April 2006. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

## **HUMAN SERVICES - DSHS**

### **Food Service Aides Costs**

The Department of Correction's Pre-Release Program provided food service aides for the kitchen at Western State Hospital until July 1, 2005. Funding for food service aides is provided for 15 months.

### **Technical Corrections**

Incremental salary, benefits, and Office of Financial Management costs in the enacted 2005-07 Biennial Budget are spread from a central program to all affected programs, including Mental Health. (General Fund-State, General Fund-Federal)

### **Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)

### **Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

### **Utility Rate Adjustments**

Rates for electricity, natural gas, water, sewage, and other utilities have increased in Fiscal Year 2006. Funding is provided to cover these increases. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Mandatory Caseload Adjustments**

The November 2005 forecast of individuals eligible for Medicaid in Fiscal Years 2006 and 2007 decreased slightly. The number of Medicaid eligibles provides the basis for funding levels to the Regional Support Networks. (General Fund-State, General Fund-Federal)

### **Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). The change, effective October 2006, will increase the federal match on Medicaid expenditures from 50.0 percent to 50.12 percent. (General Fund-State, General Fund-Federal)

### **Equipment Replacement Costs**

Funding is provided to replace obsolete equipment used for direct client services and staff safety in the mental health institutions. (General Fund-State, General Fund-Federal)



Program 040

**DSHS - Developmental Disabilities****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	3,320.8	770,056	690,499	1,460,555
<b>Supplemental Changes</b>				
Infant Toddler Early Intervention Program Grant	10.5		5,170	5,170
Middle Management Reduction	(9.0)	(492)	(358)	(850)
Real Choice Grant - Technical Correction			564	564
Agency Provider Wage Supplement		6	6	12
Staffing Workload Standards	3.6	297	199	496
Basic/Basic Plus Waiver Growth		350	(350)	
Agency Provider Health Premium Correction		958	956	1,914
Statewide Leased Facilities Implementation Transfer	(.4)	(40)	(26)	(66)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		342	267	609
Fund Source Adjustments		400	(400)	
Pension Plan 1 Unfunded Liabilities			1,152	1,152
Classification Revisions		(17)	(15)	(32)
Technical Corrections		(94)	(6)	(100)
Fuel Rate Adjustment		9	5	14
Mileage Rate Adjustments		50	31	81
Utility Rate Adjustments		143	102	245
Mandatory Caseload Adjustments		(5,341)	(4,352)	(9,693)
Federal Medical Assistance Percentage Match Adjustment		(590)	590	
<b>Subtotal - Supplemental Changes</b>	4.7	(4,019)	3,535	(484)
<b>Total Proposed Budget</b>	3,325.5	766,037	694,034	1,460,071
Difference	4.7	(4,019)	3,535	(484)
Percent Change	0.1%	(0.5)%	0.5%	0.0%

**SUPPLEMENTAL CHANGES****Infant Toddler Early Intervention Program Grant**

The department is given additional spending authority for a federal grant for the Infant Toddler Early Intervention Program. This program provides early intervention services, including family resources coordination for eligible children from birth to age three and their families. (General Fund-Federal)

**Middle Management Reduction**

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into the program budgets. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Real Choice Grant - Technical Correction**

The Real Choices - Money Follows the Person grant helps the agency identify needed services and support so people have access to quality care options and services in communities rather than institutions. The grant began in October 2003 and continues through September 2006. Expenditure authority for this grant should have been included in the 2005-07 Biennial Budget. (General Fund-Federal)

### **Agency Provider Wage Supplement**

Funding is necessary to provide minimum levels of health insurance for home care workers employed by contracted agencies. It is anticipated that both monthly premiums and levels of participation will increase. The projected premiums will maintain benefit and employee participation at levels comparable to historical offerings. (General Fund-State, General Fund-Federal)

### **Staffing Workload Standards**

Case manager staffing is adjusted to reflect caseload increases for newly identified Medicaid Personal Care and for children not receiving paid services. Six FTEs are added to meet the increased workload. (General Fund-State, General Fund-Federal)

### **Basic/Basic Plus Waiver Growth**

A technical adjustment is made to the level of savings assumed for Fiscal Year 2007 for moving state-only clients to the Basic or Basic Plus waiver. The projected savings in General Fund-State cannot be achieved. (General Fund-State, General Fund-Federal)

### **Agency Provider Health Premium Correction**

Funding is provided for the continuing cost of providing health care coverage for eligible agency workers. (General Fund-State, General Fund-Federal)

### **Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency wide. (General Fund-State, General Fund-Federal)

### **Federal Funds Technical Adjustment**

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match which will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

### **L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

### **Fund Source Adjustments**

Adjustments are made to various fund sources to reflect actual usage. (General Fund-State, General Fund-Federal)

### **Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services and information services. (General Fund-State, General Fund-Federal)

### **Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)

### **Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Utility Rate Adjustments**

Rates for electricity, natural gas, water, sewage, and other utilities have increased in Fiscal Year 2006. Funding is provided to cover these increases. (General Fund-State, General Fund-Federal)

**Mandatory Caseload Adjustments**

The November 2005 forecast adopted by the Caseload Forecast Council projected a personal care services workload decrease of approximately 314 cases. (General Fund-State, General Fund-Federal)

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). Effective October 1, 2006, these changes will increase the match on Medicaid expenditures from 50.00 percent to 50.12 percent. (General Fund-State; General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 050

### DSHS - Long Term Care

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,154.9	1,228,339	1,288,766	2,517,105
<b>Supplemental Changes</b>				
Middle Management Reduction	(17.0)	(752)	(906)	(1,658)
Agency Provider Wage Supplement		88	88	176
Forecast Cost/Utilization		6,971	8,450	15,421
Agency Provider Health Premium Correction		16,623	17,247	33,870
Loss of Alien Emergency Medical Program Eligibility		971	(971)	
Statewide Leased Facilities Implementation Transfer	(.4)	(40)	(40)	(80)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		11	10	21
Fund Source Adjustments		915	(915)	
Pension Plan 1 Unfunded Liabilities			563	563
Classification Revisions			(1)	(1)
Technical Corrections		(43)	(465)	(508)
Lease Rate Adjustments		512	488	1,000
Mileage Rate Adjustments		102	103	205
Mandatory Caseload Adjustments		1,075	1,416	2,491
Mandatory Workload Adjustments	9.6	793	723	1,516
Federal Medical Assistance Percentage Match Adjustment		(1,155)	1,155	
Unanticipated Receipts not in Carry Forward Level	2.5		1,098	1,098
<b>Subtotal - Supplemental Changes</b>	(5.4)	26,071	28,043	54,114
<b>Total Proposed Budget</b>	1,149.5	1,254,410	1,316,809	2,571,219
Difference	(5.4)	26,071	28,043	54,114
Percent Change	(0.5)%	2.1%	2.2%	2.1%

#### SUPPLEMENTAL CHANGES

##### Middle Management Reduction

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into the program budgets. This step nets to zero agency wide. (General Fund-State, General Fund-Federal)

##### Agency Provider Wage Supplement

In the 2005-07 budget, homecare workers employed by agency providers were given a \$0.10 supplement to their hourly wage if their employer was able to demonstrate a legally binding commitment to increase the wages and had proof of a process to enforce this commitment. Additional funding is authorized to provide the supplemental wage increase to all agency homecare workers employed by qualifying providers. (General Fund-State, General Fund-Federal).

**Forecast Cost/Utilization**

Funding is provided for the costs and savings associated with per capita cost and utilization changes resulting from the October 2005 caseload forecast. (General Fund-State, General Fund-Federal)

**Agency Provider Health Premium Correction**

Funding necessary to provide minimum levels of health insurance for home care workers employed by contracted agencies is increased to reflect changes in projected monthly premiums and levels of participation. The projected premiums will maintain benefit and employee participation at levels comparable to historical offerings. (General Fund-State, General Fund-Federal).

**Loss of Alien Emergency Medical Program Eligibility**

Due to the Alien Emergency Medical (AEM) Program's increased scrutiny on service eligibility, it is projected that 34 clients currently receiving nursing home services funded through this program will no longer be eligible for services. The 34 affected clients will be held harmless and the state will continue to pay for their nursing facility care. No further long-term care clients will receive eligibility within this program. (General Fund-State, General Fund-Federal).

**Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from program budgets to the administrative services budget. This item nets to zero agency-wide. (General Fund-State, General Fund-Federal)

**Federal Funds Technical Adjustment**

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match which will be earned in the enacted 2005-07 biennial budget. (General Fund-Federal)

**Fund Source Adjustments**

Adjustments are made to various fund sources because of some incorrect assumptions made in the 2005-07 Biennial Budget. The first adjustment results from an incorrect assumption of federal funding for the respite care rate increase included in the budget. Respite care is a state-only program and all funding for this program needs to be transferred to General Fund-State. Another adjustment is due to an assumption made regarding regional and middle management FTE staff reductions. These reductions should have only affected General Fund-State funded positions, but were mistakenly extended to budgets that rely solely on federal and private funds. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services and information services. (General Fund-State, General Fund-Federal)

**Lease Rate Adjustments**

The Department needs additional funding to pay for leases during the 2005-07 Biennium. (General Fund-State, General Fund-Federal)

**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Mandatory Caseload Adjustments**

The November 2005 forecast adopted by the Caseload Forecast Council projected changes in community-based care and nursing facility caseloads. Community-based care caseloads are projected to be 2 percent higher than funded levels, while nursing facility caseloads are projected to be 1 percent lower than funded levels. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Mandatory Workload Adjustments**

Professional staff involved in caseload management are funded based on the Caseload Forecast Council's October 2005 caseload projections. The forecast indicated that more staff are necessary to meet current caseload projections. Staff verify Medicaid eligibility, assess functional disability, ensure quality assurance, and coordinate the delivery of appropriate and cost-effective services in all long term-care settings. (General Fund-State, General Fund-Federal)

### **Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). The changes effective October 1, 2006, will increase the match for Medicaid from 50.00 percent to 50.12 percent. The match for the State Children's Health Insurance Program will increase from 65.00 percent to 65.08 percent. (General Fund-State, General Fund-Federal)

### **Unanticipated Receipts not in Carry Forward Level**

Federal expenditure authority is increased to recognize additional federal funds provided to the state since the enactment of the 2005-07 budget. The funds will be used to enhance the state's overall system of home and community-based services to better meet the needs of individuals with dementia and their family caregivers by integrating dementia-capable services into existing state programs, developing a model aging and disability resource center, and implementing an aging and disability information and referral assistance database and client management system. (General Fund-Federal)

Program 060

**DSHS - Economic Services Administration****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	4,441.7	984,247	1,277,913	2,262,160
<b>Supplemental Changes</b>				
Children's Health Program	(8.0)	(3,473)		(3,473)
WorkFirst Performance Team Funding		(470)		(470)
WorkFirst Funding Shortfall		46,000		46,000
Middle Management Reduction	(58.0)	(2,852)	(3,087)	(5,939)
Bellevue Office Relocation One-Time Cost		138	57	195
Head Start Collaboration Transfer	(.8)		(180)	(180)
Child Support Incentives		8,641	(3,931)	4,710
Incapacity Exams		2,014	504	2,518
Supplemental Security Income Payment Maintenance of Effort Correction		2,168		2,168
Statewide Leased Facilities Implementation Transfer	(2.1)	(236)	(152)	(388)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		74	10	84
Pension Plan 1 Unfunded Liabilities			1,798	1,798
Technical Corrections		3,641	240	3,881
Fuel Rate Adjustment		2	3	5
Mileage Rate Adjustments		56	35	91
Mandatory Caseload Adjustments		8,071	902	8,973
Federal Medical Assistance Percentage Match Adjustment		17	(17)	
<b>Subtotal - Supplemental Changes</b>	(68.9)	63,791	(3,818)	59,973
<b>Total Proposed Budget</b>	4,372.9	1,048,038	1,274,095	2,322,133
Difference	(68.9)	63,791	(3,818)	59,973
Percent Change	(1.6)%	6.5%	(0.3)%	2.7%

**SUPPLEMENTAL CHANGES****Children's Health Program**

The enacted 2005-07 Biennial Budget included a capped appropriation to provide Medicaid look-alike health coverage to children who, because of immigration status or immigration-related waiting periods, are not eligible for Medicaid. The November 2005 forecast of per-child medical costs is higher than when the budget was developed. There is also evidence that pent-up demand for services might increase expected costs early in the program. However, of the \$3.5 million budgeted for administrative purposes in the Economic Services program, only \$2.2 million can be used to help compensate for higher than expected service costs. All children's health program administrative funds in Economic Services are redirected to the Medical Assistance Administration - \$1.3 million to pay for administrative costs and \$2.2 million for medical services reimbursements. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **WorkFirst Performance Team Funding**

Funding for the Office of Financial Management WorkFirst Performance Team is transferred to the OFM budget rather than through an interagency agreement.

### **WorkFirst Funding Shortfall**

Additional funding is provided to avoid reductions to subsidized child care and to partially restore state funds that were removed from the WorkFirst Program in the 1999-01 Biennial Budget.

### **Middle Management Reduction**

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into program budgets. This step nets to zero agency wide.

### **Bellevue Office Relocation One-Time Cost**

One-time funding is provided to relocate the Bellevue office in accordance with the leased facilities strategic plan to implement efficiencies and to reduce facility costs by co-locating with other Department of Social and Health Services programs. (General Fund-State, General Fund-Federal)

### **Child Support Incentives**

A reduction is made to the Division of Child Support's local fund appropriation for Fiscal Years 2006 and 2007. An offsetting increase is made to the state funds appropriation to reflect the actual amount of the child support incentives awarded. Additional General Fund-State funds are also provided in each year to repay the shortfall between incentives appropriated and those that are awarded. (General Fund-State, General Fund-Federal)

### **Incapacity Exams**

Additional funds are provided to cover the increased costs associated with providing incapacity exams to general assistance applicants.

### **Supplemental Security Income Payment Maintenance of Effort Correction**

A technical correction is made to meet the Supplemental Security Income State Supplemental Payment Maintenance of Effort (SSP MOE) requirement for Fiscal Year 2006. The department is directed to make all changes necessary to allow them to claim eligible DDD expenditures as SSP MOE in 2007.

### **Statewide Leased Facilities Implementation Transfer**

Staff and associated funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

### **Federal Funds Technical Adjustment**

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match which will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

### **L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

### **Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services, information services, domestic violence prevention (HB 1314), and targeted vendor rate transfers. (General Fund-State, General Fund-Federal)

### **Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)



**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Mandatory Caseload Adjustments**

The November 2005 forecast adopted by the Caseload Forecast Council assumed changes in caseload for refugee assistance, general assistance, child support recoveries, and immigrant food assistance. (General Fund-State, General Fund-Federal)

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). The change is effective October 1, 2006 and will increase the match on Medicaid expenditures from 50 percent to 50.12 percent. The State Children's Health Insurance program will increase from 65 percent to 65.08 percent. (General Fund-State, General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 070

### DSHS - Alcohol And Substance Abuse

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	98.1	124,191	179,731	303,922
<b>Supplemental Changes</b>				
Federal Funds for Snohomish County Treatment Program			12,000	12,000
Statewide Leased Facilities Implementation Transfer		(6)	(2)	(8)
Federal Funds Technical Adjustment				
Additional Federal Grants	10.9		15,921	15,921
Pension Plan 1 Unfunded Liabilities			49	49
Technical Corrections	1.0	(6)	2	(4)
Mileage Rate Adjustments		8	8	16
Utility Rate Adjustments		86		86
Other Fund Adjustments			(150)	(150)
Federal Medical Assistance Percentage Match Adjustment		(30)	30	
<b>Subtotal - Supplemental Changes</b>	11.9	52	27,858	27,910
<b>Total Proposed Budget</b>	110.0	124,243	207,589	331,832
Difference	11.9	52	27,858	27,910
Percent Change	12.1%	0.0%	15.5%	9.2%

#### SUPPLEMENTAL CHANGES

##### Federal Funds for Snohomish County Treatment Program

In order to meet the continued growth in federal earnings generated by the new tribal opiate substitution treatment program located in Snohomish County, \$6 million in additional federal expenditure authority is provided. (General Fund-Federal)

##### Statewide Leased Facilities Implementation Transfer

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from program budgets to the administrative services budget. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

##### Federal Funds Technical Adjustment

The spending plan for federal funds needs to be adjusted between federal account types to accurately reflect the source of federal match, which will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

##### Additional Federal Grants

Federal expenditure authority is increased for additional federal grants not included in the 2005-07 biennial budget. These funds will be used to expand access to a comprehensive array of recovery services; provide screening, brief intervention, and chemical dependency referral services to patients in hospital emergency departments; develop and implement a data-driven state prevention plan for substance abuse prevention services; and to enhance the existing adolescent substance abuse treatment system. (General Fund-Federal)

**Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services, information services, and problem gambling. (General Fund-State, General Fund-Federal)

**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Utility Rate Adjustments**

Rates for electricity and natural gas have increased in Fiscal Year 2006. Funding is provided to cover these increases in the first year of the biennium.

**Other Fund Adjustments**

Expenditures are adjusted to reflect delays in implementing the Problem Gambling Treatment program established in ESHB 1031.

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). Effective October 1, 2006, these changes will increase the match on Medicaid expenditures from 50.00 percent to 50.12 percent. (General Fund-State, General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 080

### DSHS - Medical Assistance Payments

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,084.5	3,077,313	4,690,557	7,767,870
<b>Supplemental Changes</b>				
Employer-Sponsored Insurance Program	6.0	(107)	(105)	(212)
Children's Health Program	8.0	3,473		3,473
Utilization and Other Rate Changes		(45,129)	91,387	46,258
Kidney Disease Forecast Correction		4,038		4,038
Medicare Part D Update		4,034		4,034
Medical Management Information System Reprocurement	9.5	538	4,988	5,526
Expand Provider Review and Prior Authorization	4.0	(3,129)	(3,129)	(6,258)
GAAP Accounting for Drug Rebates		4,897	4,902	9,799
Delayed and Reduced Preferred Drug Project Expansion		3,833	3,263	7,096
Certified Public Expenditure Program		12,706	(25,853)	(13,147)
Statewide Leased Facilities Implementation Transfer	(.3)	(28)	(28)	(56)
Federal Funds Technical Adjustment				
L&I Rate Adjustments		9	9	18
Pension Plan 1 Unfunded Liabilities			442	442
Technical Corrections		(28)	(45)	(73)
Mileage Rate Adjustments		4	14	18
Mandatory Caseload Adjustments		(29,870)	4,544	(25,326)
Federal Medical Assistance Percentage Match Adjustment		(2,354)	2,354	
<b>Subtotal - Supplemental Changes</b>	27.2	(47,113)	82,743	35,630
<b>Total Proposed Budget</b>	1,111.7	3,030,200	4,773,300	7,803,500
Difference	27.2	(47,113)	82,743	35,630
Percent Change	2.5%	(1.5)%	1.8%	0.5%

#### SUPPLEMENTAL CHANGES

##### Employer-Sponsored Insurance Program

The Health and Rehabilitative Services Administration currently operates a small pilot project to enroll Medicaid children and families into employer-sponsored insurance when it is cost-effective for the state. The Governor proposes expanding the program, enrolling an additional 2,080 children, and adding nine FTE staff. Since the program identifies participants whose enrollment is cost-effective, the administrative costs are greater than program savings. This pilot is expected to reinforce employer-based coverage, reserving state resources for covering low-income, otherwise uninsured children. (General Fund-State, General Fund-Federal)

**Children's Health Program**

The enacted 2005-07 Biennial Budget included a capped appropriation to provide Medicaid look-alike health coverage to children who, because of immigration status or immigration-related waiting periods, are not eligible for Medicaid. The November 2005 forecast of per-child medical costs is higher than the forecast in March when the budget was developed. There is also evidence that pent-up demand for services might increase expected costs early in the program. However, of the \$3.5 million funds originally budgeted for administrative purposes in the Economic Services program, \$2.2 million can be used to help compensate for the higher than expected service costs. The \$3.5 million is redirected to the Medical Assistance Administration (MAA) - \$1.3 million to pay for administrative costs in MAA and \$2.2 million for medical services reimbursements. (General Fund-State, General Fund-Federal)

**Utilization and Other Rate Changes**

Utilization and rate changes make up the difference between the forecast change not accounted for by caseload updates or other specific adjustments. The step is a combination of changes in medical inflation and the extent to which services are utilized, and affect all categories of eligible individuals and services. Some service cost trends include inpatient hospital costs and laboratory and x-ray costs experiencing double-digit annual increases. Dental costs are growing at about 8 percent per year in all funds, with a disproportionate growth in the Health Services Account, suggesting higher utilization among optional children. Federally Qualified Health Center (FQHC) enhancements, a requirement for 100 percent-of-cost reimbursements, are increasing at 7 to 8 percent per year. Medicare Part B premiums are growing by more than 13 percent per year.

One reason for the uneven impact of this step between the General Fund-State and the Health Services Account is the adoption of a more accurate methodology for allotting FQHC enhancements to the two accounts. (General Fund-State, General Fund-Federal, Health Services Account-State)

**Kidney Disease Forecast Correction**

The kidney disease portion of the Medical Assistance Administration per capita forecast that was inadvertently omitted from the final forecast report is added.

**Medicare Part D Update**

Since completion of the Medical Assistance Administration per capita forecast, the federal government released final numbers for the value of Washington State's per-person share of the new Medicare prescription drug benefit for individuals eligible for both Medicaid and Medicare (dual eligibles). The final cost was higher than last estimated by the MAA forecast workgroup and the difference is added to the budget.

**Medical Management Information System Reprocurement**

The Medicaid Management Information System (MMIS) re-procurement project (newly-named ProviderOne) included vendor deliverables that were funded, but not completed in Fiscal Year 2005, and that have been re-scheduled for receipt in Fiscal Year 2006. In addition, 11 project positions are necessary for timely completion of future project deliverables. Included in the funding for these 11 staff are federal dollars for two positions in the Office of Financial Management to address interface requirements between ProviderOne and the statewide Agency Financial Reporting System (AFRS). The funding split on the ProviderOne project is 90 percent federal and 10 percent state funds. (General Fund-State, General Fund-Federal)

**Expand Provider Review and Prior Authorization**

Eight additional FTE staff in the Division of Medical Management will expand existing initiatives involving increased prior authorization management of certain drugs, including Neurontin, and strengthen quality assurance activities. The Medical Assistance Administration estimates that program savings will be realized by improving prior authorization staffing levels and preventing inappropriate and off-label use of certain prescription drugs; increasing the number of provider reviews that result in provider contract terminations, where appropriate; and increasing record reviews for compliance with EPA guidelines. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **GAAP Accounting for Drug Rebates**

The 2005-07 Biennial Budget funded eight staff to increase drug manufacturer rebate collections and to increase third-party liability and provider audits. Savings were expected to total \$14.3 million. Information gathered after passage of the budget reveals drug rebate collections are accounted for, according to generally accepted accounting principles (GAAP), on a modified accrual basis. This means \$9.8 million of the total savings from prior periods will be applied to past fiscal periods, to the month of service in which the expenditure occurred. Although the savings will not be seen as a lower expenditure in the 2005-07 Biennium as originally expected, the additional recoveries will result in new revenue to the General Fund. (General Fund-State, General Fund-Federal)

### **Delayed and Reduced Preferred Drug Project Expansion**

The 2005-07 Biennial Budget provided two staff positions, one at the Health Care Authority (HCA) and one at the Department of Social and Health Services' (DSHS) Medical Assistance Administration (MAA), to increase the number of drug classes scheduled to be reviewed and adopted for the statewide Preferred Drug Project. Net MAA savings of \$6.9 million were assumed. During the interim, staff found that additional reviews will outweigh the savings to be gained. Since only two additional classes of drugs are determined feasible, the savings from the expansion will be less. The reduced project scope eliminates the need for the full staff addition provided in the original budget. (General Fund-Federal, Health Services Account-State)

### **Certified Public Expenditure Program**

The Certified Public Expenditure (CPE) program was approved in the 2005-07 Biennium. A revised analysis of the program, including updates to recent actual hospital payment detail and the November 2005 medical expenditure forecast, indicates additional state funding is needed. State-funded grants paid to the hospitals are increased in the CPE program, and federal funding for Fiscal Years 2006 and 2007 is adjusted. (General Fund-State, General Fund-Federal, Health Services Account-State)

### **Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency wide. (General Fund-State, General Fund-Federal)

### **Federal Funds Technical Adjustment**

The spending plan for federal funds is adjusted between federal account types to accurately reflect the source of federal match that will be earned in the enacted 2005-07 Biennial Budget. (General Fund-Federal)

### **L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's "experience factor" that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

### **Technical Corrections**

Incremental salary, benefits, and Office of Financial Management costs in the enacted 2005-07 Biennial Budget are spread from a central program to all affected programs, including the Medical Assistance Administration. (General Fund-State, General Fund-Federal)

### **Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 1, 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2003-05 Biennium and the new rates. (General Fund-State, General Fund-Federal)

### **Mandatory Caseload Adjustments**

The November 2005 forecast of individuals eligible for Medical Assistance Administration programs indicates that caseloads are down slightly, overall, from those enacted in the 2005-07 budget. Although the caseload differences are relatively small in total, the optional children's caseload is up by about 5,000 children, and the mandatory caseload is down by about 6,000. Since these groups of individuals are traditionally funded from certain accounts, there is a disproportionate impact on the Health Services Account. (General Fund-State, General Fund-Federal, Health Services Account-State)

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). The change, effective October 2006, will increase the federal match on Medicaid expenditures from 50.00 percent to 50.12 percent; and the State Children's Health Program expenditures from 65.00 percent to 65.08 percent. (General Fund-State, General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 100

### DSHS - Vocational Rehabilitation

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	346.9	22,552	89,139	111,691
<b>Supplemental Changes</b>				
Bellevue Office Relocation One-Time Cost		8	29	37
Transfer to Department of Services for the Blind		(107)	(391)	(498)
Statewide Leased Facilities Implementation Transfer	(.4)	(16)	(52)	(68)
L&I Rate Adjustments		2	6	8
Pension Plan 1 Unfunded Liabilities			137	137
Technical Corrections		(7)	1	(6)
Fuel Rate Adjustment		3	9	12
Mileage Rate Adjustments		2	8	10
<b>Subtotal - Supplemental Changes</b>	(0.4)	(115)	(253)	(368)
<b>Total Proposed Budget</b>	346.5	22,437	88,886	111,323
Difference	(.4)	(115)	(253)	(368)
Percent Change	(0.1)%	(0.5)%	(0.3)%	(0.3)%

#### SUPPLEMENTAL CHANGES

##### Bellevue Office Relocation One-Time Cost

One-time funding is provided to relocate the Bellevue office in accordance with the leased facilities strategic plan to implement efficiencies and to reduce facility costs by co-locating with other Department of Social and Health Services programs. (General Fund-State, General Fund-Federal)

##### Transfer to Department of Services for the Blind

Expenditure authority is transferred from the Division of Vocational Rehabilitation (DVR) to the Department of Services for the Blind (DSB). This transfer will more closely align the distribution of the basic support services grant between DVR and DSB to that of vocational programs in other states. (General Fund-State, General Fund-Federal)

##### Statewide Leased Facilities Implementation Transfer

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from program budgets to the administrative services budget. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

##### L&I Rate Adjustments

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

##### Technical Corrections

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services and information services. (General Fund-State, General Fund-Federal)



**Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium for the first fiscal year. (General Fund-State, General Fund-Federal)

**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 110

### DSHS - Administration and Supporting Services

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	564.3	62,868	57,887	120,755
<b>Supplemental Changes</b>				
Middle Management Reduction	124.0	5,614	6,831	12,445
Mental Health Transformation Grant	2.0		2,730	2,730
Special Commitment Center Ombudsman Transfer	3.0	461		461
Fee Increase For County Office of Financial Recovery Liens		104	48	152
Resource Conservation Manager	.7			
Statewide Leased Facilities Implementation Transfer	4.7	514	354	868
L&I Rate Adjustments		9	7	16
SmartBuy		(7,560)		(7,560)
Pension Plan 1 Unfunded Liabilities			374	374
Technical Corrections	2.6	(928)	(1,033)	(1,961)
Fuel Rate Adjustment		3	2	5
Lease Rate Adjustments		(684)	(316)	(1,000)
Mileage Rate Adjustments		23	10	33
Central Service Agency Charges		2,556		2,556
Federal Medical Assistance Percentage Match Adjustment		(1)	1	
Unanticipated Receipts not in Carry Forward Level			44	44
<b>Subtotal - Supplemental Changes</b>	136.9	111	9,052	9,163
<b>Total Proposed Budget</b>	701.2	62,979	66,939	129,918
Difference	136.9	111	9,052	9,163
Percent Change	24.3%	0.2%	15.6%	7.6%

#### SUPPLEMENTAL CHANGES

##### Middle Management Reduction

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into program budgets. This step nets to zero agency wide. (General Fund-State, General Fund-Federal)

##### Mental Health Transformation Grant

The federal Substance Abuse and Mental Health Services Administration awarded grant funding for the Department starting October 1, 2005 for mental health system transformation planning. Fiscal Year 2007 grant funding is placed in the budget. The Fiscal Year 2006 grant award was approved as an unanticipated receipt. (General Fund-Federal)

##### Special Commitment Center Ombudsman Transfer

Funding and the Special Commitment Center ombudsman and two resident advocate positions are transferred from the Mental Health/Special Commitment Center budget to the Administration and Supporting Services budget.

**Fee Increase For County Office of Financial Recovery Liens**

Because of legislation enacted in the 2002 and 2005 legislative sessions, the surcharge to record liens for each real property document processed at the County Auditor's Office by the Office of Financial Recovery increased from \$9 to \$32. Funding is provided for these increased costs. (General Fund-State, General Fund-Federal)

**Resource Conservation Manager**

Although the Department of Social and Health Services has achieved considerable energy savings in its facilities, opportunities for additional savings are not being realized because no single person has the sole responsibility for maximizing utility savings. In cooperation with private utilities, the department will hire a resource conservation manager to achieve additional electrical and natural gas savings at its facilities.

**Statewide Leased Facilities Implementation Transfer**

Staff and funding are transferred within the Department of Social and Health Services to support the Statewide Leased Facilities Model. These staff and dollars are transferred from the program budgets to the administrative services budget. This step nets to zero agency-wide. (General Fund-State, General Fund-Federal)

**L&I Rate Adjustments**

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, General Fund-Federal)

**Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections made to the 2005-07 Biennial Budget. These corrections include changes related to shared services, information services, and the Health Care Quality Authority federal funds transfer. (General Fund-State, General Fund-Federal)

**Fuel Rate Adjustment**

Increased funding is provided to address projected increases in fuel costs during the 2005-07 Biennium. (General Fund-State, General Fund-Federal)

**Lease Rate Adjustments**

Aging and Disability Services Administration (ADSA) staff have relocated into space vacated by DSHS Administration staff. This item transfers funding to ADSA to offset the lease costs.

**Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided in Fiscal Year 2006 for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, General Fund-Federal)

**Federal Medical Assistance Percentage Match Adjustment**

The amount of federal funding available for match on current programs will increase as a result of the update to the Federal Medical Assistance Percentage (FMAP). The change is effective October 1, 2006 and will increase the federal match on Medicaid from 50.00 percent to 50.12 percent. The rate for the State Children's Health Insurance Program will increase from 65.00 percent to 65.08 percent. (General Fund-State, General Fund-Federal)

**Unanticipated Receipts not in Carry Forward Level**

Federal authority is increased to recognize additional federal grants not included in the enacted 2005-07 budget. Funds will be used to expand access to a comprehensive array of recovery services; provide screening, brief intervention, and chemical dependency referral services to patients in hospital emergency departments; develop and implement a data-driven state prevention plan for substance abuse prevention services; and enhance the existing adolescent substance abuse treatment system. (General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 145

### DSHS - Payments to Other Agencies

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	92,761	45,103	137,864
<b>Supplemental Changes</b>			
Transfer Attorney General Funding	3,507		3,507
Contracted Services Shortfall	119	54	173
Office of Administrative Hearings Shortfall	558	418	976
Dependency Litigation Workload	233	82	315
Sexually Violent Predator Caseload Increase	992		992
Office of Administrative Hearings Caseload Increase	108	79	187
Fund Source Adjustments	330	(330)	
Technical Corrections	949	425	1,374
<b>Subtotal - Supplemental Changes</b>	6,796	728	7,524
<b>Total Proposed Budget</b>	99,557	45,831	145,388
Difference	6,796	728	7,524
Percent Change	7.3%	1.6%	5.5%

#### SUPPLEMENTAL CHANGES

##### Transfer Attorney General Funding

Appropriations for Attorney General services related to the Special Commitment Center (SCC) and sexually violent predators are transferred out of the Mental Health Program and into Program 145, Payments to Other Agencies. SCC expenditures will be tracked separately for reporting purposes.

##### Contracted Services Shortfall

The Department of Social and Health Services is mandated to use the Washington State Patrol to perform certain investigations. The Department needs additional funding to pay for these contracted services. (General Fund-State, General Fund-Federal)

##### Office of Administrative Hearings Shortfall

The 2005 Supplemental Budget moved 4.5 Office of Administrative Hearing positions from the Employment Security Department's caseload to the Department of Social and Health Services' caseload. Funding is provided for this additional caseload. (General Fund-State, General Fund-Federal)

##### Dependency Litigation Workload

Funding is provided for additional legal services that are needed to address juvenile litigation workload issues handled by the Attorney General's Spokane Office. (General Fund-State, General Fund-Federal)

##### Sexually Violent Predator Caseload Increase

Funding is provided for additional Attorney General legal services related to the civil commitment of sexually violent predators.

**Office of Administrative Hearings Caseload Increase**

An additional 1.2 Office of Administrative Hearings positions are transferred from the Employment Security Department's caseload to the Department of Social and Health Services' caseload. These positions will be assigned to handle a significant increase in licensing hearings.

**Fund Source Adjustments**

Adjustments are made to various fund sources to reflect actual usage.

**Technical Corrections**

Several programs in the Department of Social and Health Services require technical corrections to the 2005-07 Biennial Budget. These corrections include changes related to shared services, information services, and Child Abuse and Neglect (ESSB 5922). (General Fund-State, General Fund-Federal)

## HUMAN SERVICES - DSHS

Program 150

### DSHS - Information System Services

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund	State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	150.4				
<b>Supplemental Changes</b>					
Middle Management Reduction	(2.1)				
<b>Subtotal - Supplemental Changes</b>	(2.1)				
<b>Total Proposed Budget</b>	148.3				
Difference	(2.1)				
Percent Change	(1.4)%				

#### SUPPLEMENTAL CHANGES

##### Middle Management Reduction

Middle management and regional staff reductions that were placed in the agency's administrative budget are transferred into program budgets. This item nets to zero agency-wide. (General Fund-State, General Fund-Federal)

Agency 107

**Washington State Health Care Authority****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	277.3		628,032	628,032
<b>Supplemental Changes</b>				
Delayed and Reduced Prescription Drug Project Expansion	(.8)		(600)	(600)
Flexible Spending Account Adjustment			(346)	(346)
Health Information Technology Grant			500	500
Health Assessments			450	450
High-Value Health Plan			735	735
Centralize Evidence-Based Medicine #	2.0	427	811	1,238
Pension Plan 1 Unfunded Liabilities			117	117
Classification Revisions			(4)	(4)
Technical Corrections				
Central Service Agency Charges			55	55
<b>Subtotal - Supplemental Changes</b>	1.3	427	1,718	2,145
<b>Total Proposed Budget</b>	278.6	427	629,750	630,177
Difference	1.3	427	1,718	2,145
Percent Change	0.5%	100.0%	0.3%	0.3%

**SUPPLEMENTAL CHANGES****Delayed and Reduced Prescription Drug Project Expansion**

The 2005-07 Biennial Budget provided two staff positions, one at the Health Care Authority (HCA) and one at the Department of Social and Health Services' (DSHS) Medical Assistance Administration (MAA), to increase the number of drug classes scheduled to be reviewed and adopted for the statewide Preferred Drug Project. Net MAA savings of \$6.9 million were assumed. During the interim, staff found that additional reviews will outweigh the savings to be gained. Since only two additional classes of drugs are determined feasible, the savings from the expansion will be less. The reduced project scope eliminates the need for the full staff addition provided in the original budget. (General Fund-Federal, Health Services Account-State)

**Flexible Spending Account Adjustment**

Flexible spending account administrative costs will be paid for from the nonappropriated Medical Flexible Spending Account, established in the 2005 legislative session. The \$346,000 that was appropriated for this purpose in the Health Care Authority Administrative Account has not been allotted for expenditure and is removed. (State Health Care Authority Administrative Account-State)

## **HUMAN SERVICES - OTHER**

### **Health Information Technology Grant**

The Health Care Authority is directed to develop pilot grants to provide incentives related to reimbursement, administration, or quality to providers who adopt health information technologies. The pilots should include criteria requiring that systems be designed to share information. This item contributes to the Governor's five-point strategy to improve health and reduce costs by advancing the use of information technology. Funds are transferred from the Public Employees' and Retirees' Insurance Account 2005-07 set-aside for quality initiatives. (State Health Care Authority Administrative Account-State)

### **Health Assessments**

An on-line health assessment tool will be made available to allow employees to compare their personal health information with local and national data, resulting in recommendations of programs and actions most likely to improve individual health. This item contributes to the Governor's five-point strategy to improve health and reduce costs by emphasizing prevention and wellness. (State Health Care Authority Administrative Account-State)

### **High-Value Health Plan**

A new, high-value health plan will be developed for the public employee medical benefits options beginning January 1, 2007. The plan will be designed to emphasize the Governor's five strategies for improving health and containing costs including: evidence-based medicine, consumer education and wellness, management of chronic care, access to information about cost and quality, and use of electronic data. It requires the approval of the Public Employees' Benefits Board. (State Health Care Authority Administrative Account-State)

### **Centralize Evidence-Based Medicine #**

The Governor has developed a five-point strategy to achieve her health care goals of improving quality and containing costs. A primary strategy identified is an increased emphasis on evidence-based health care and a centralized evidence-based medicine system. The system will promote the purchase of health interventions and technologies that have been shown, through scientific and clinical reviews, to be safe and achieve results. A Washington State Committee will receive reviews from evidence-based practice centers, analyze the information, and make recommendations to the state's health purchasing agencies. Participating agencies will be DSHS's Medical Assistance Administration, Labor and Industries, the Health Care Authority's Uniform Medical Plan, the Department of Corrections, and the Department of Veterans' Affairs. (General Fund-State, General Fund-Federal, Medical Aid Account-State, Health Services Account-State, Health Care Authority Administrative Account-State)

### **Technical Corrections**

Technical adjustments are made to the funding sources for Program Support and the Shared Services, Basic Health (BH) Administration, and Health Care Policy (HCP) programs. These adjustments better align fund source allocations to program workloads, and update the federal match available for Medicaid Basic Health Plus accounts.



Agency 120

**Human Rights Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	47.7	5,230	1,741	6,971
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			20	20
Lease Rate Adjustments		54		54
Central Service Agency Charges		7		7
<b>Subtotal - Supplemental Changes</b>		61	20	81
<b>Total Proposed Budget</b>	47.7	5,291	1,761	7,052
Difference		61	20	81
Percent Change	0.0%	1.2%	1.1%	1.2%

**SUPPLEMENTAL CHANGES****Lease Rate Adjustments**

Due to safety and ADA accessibility concerns with its Spokane office, the commission has moved to another location in Spokane. Increased funding is provided to cover the higher lease rates that are effective in June 2006.

## HUMAN SERVICES - OTHER

Agency 190

### Board of Industrial Insurance Appeals

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	158.4	32,817	32,817
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		78	78
Central Service Agency Charges		28	28
<b>Subtotal - Supplemental Changes</b>		106	106
<b>Total Proposed Budget</b>	158.4	32,923	32,923
Difference		106	106
Percent Change	0.0%	0.3%	0.3%

Agency 227

**Criminal Justice Training Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	38.2	19,611	19,611
<b>Supplemental Changes</b>			
Appropriation Type Correction			
Prosecuting Attorney Training		71	71
Pension Plan 1 Unfunded Liabilities		16	16
Central Service Agency Charges		9	9
<b>Subtotal - Supplemental Changes</b>		96	96
<b>Total Proposed Budget</b>	38.2	19,707	19,707
Difference		96	96
Percent Change	0.0%	0.5%	0.5%

**SUPPLEMENTAL CHANGES****Appropriation Type Correction**

A technical correction is made to change the appropriation type from private/local to state for the Municipal Criminal Justice Account. (Municipal Criminal Justice Account-State, Private/Local)

**Prosecuting Attorney Training**

Additional funds will pay for training services provided by the Association of Prosecuting Attorneys. (Public Safety and Education Account-State)

## HUMAN SERVICES - OTHER

Agency 235

### Department of Labor and Industries

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2,637.6	15,202	510,644	525,846
<b>Supplemental Changes</b>				
Indirect Cost Allocation		13	(13)	
Worker Compensation Apprentices			98	98
Information Services Support Costs		14	2,759	2,773
Electrical Inspectors	4.0		872	872
New Technology to Combat Fraud	.7		1,174	1,174
Crime Victims Compensation Payments			1,172	1,172
National Provider Identification			510	510
Crime Victims-Unsecured Loads #			236	236
SmartBuy		(34)		(34)
Pension Plan 1 Unfunded Liabilities			1,059	1,059
Classification Revisions			(4)	(4)
Central Service Agency Charges		3	539	542
<b>Subtotal - Supplemental Changes</b>	<b>4.7</b>	<b>(4)</b>	<b>8,402</b>	<b>8,398</b>
<b>Total Proposed Budget</b>	<b>2,642.3</b>	<b>15,198</b>	<b>519,046</b>	<b>534,244</b>
Difference	4.7	(4)	8,402	8,398
Percent Change	0.2%	0.0%	1.6%	1.6%

#### SUPPLEMENTAL CHANGES

##### Indirect Cost Allocation

Based on recommendations in a finding from the State Auditor's Office, the Department of Labor and Industries has revised the manner in which it charges certain funding sources for the costs of providing indirect or administrative services. A yearly process is now in place to allocate these indirect costs to the agency's various programs and funds. This reallocation does not change overall costs or administrative expenses. (General Fund-State, various other funds)

##### Worker Compensation Apprentices

The Department of Labor and Industries has a statutory obligation to pay industrial insurance premiums for apprentices throughout the state during their classroom training time. During Fiscal Year 2005, modifications were made to the Apprenticeship Registration Tracking System that allowed the department to better monitor and report apprentice classroom time. The total hours spent were greater than expected and are projected to remain at this higher level throughout the 2005-07 Biennium, resulting in higher annual premiums. (Accident Account-State, Medical Aid Account-State)

### **Information Services Support Costs**

The Department of Labor and Industries' (L&I) goal of increasing on-line customer access to its services has been very successful. As a result, there has been a significant increase in the number of users and the level of activity on web-based applications. This has caused a significant increase in transaction costs for mainframe usage and storage, and for ongoing application software maintenance. The Department of Information Services has worked closely with L&I to efficiently and effectively use resources and minimize costs. (General Fund-State, various other funds)

### **Electrical Inspectors**

One of the goals of L&I's Electrical Program is to conduct a majority of electrical inspections within 24 hours of a request. Since Fiscal Year 2001, the number of inspections requested per day has increased by 36 percent. With this increase, the number of inspections performed within 24 hours of customer request has decreased to a level that is unacceptable to electrical program stakeholders as contractors can incur substantial costs when projects are delayed. Given the significant increase in workload, eight electrical inspector FTE staff are needed to meet this goal. (Electrical License Account-State)

### **New Technology to Combat Fraud**

Preventing fraud and abuse in the workers' compensation system is one of the Department's highest priorities. It is also a major concern of businesses that play by the rules and pay their fair share of taxes. L&I will replace its antiquated Field Audit Enhancement software technology in order to perform more audits and increase the collection of unpaid premiums. The new system will reduce duplication of effort and manual entry time, ease the electronic retrieval of taxpayer records, speed the screening process of referral information, and allow tracking of audit results. These improvements will help L&I meet its three-year goal of doubling the percentage of audited employers. The cost to build and implement the new system will be recovered in the first year of its use (Fiscal Year 2008) and will produce ongoing benefits. One-time costs are \$662,000. (Accident Account-State, Medical Aid Account-State)

### **Crime Victims Compensation Payments**

The Crime Victims Compensation Program's rates for inpatient hospitalization are determined by those paid by the Department of Social and Health Services. The rates for the Medicaid program have changed in the 2005-07 Biennium, necessitating increased funding for the Crime Victims Compensation Program. (Public Safety and Education Account-State)

### **National Provider Identification**

The federal Health Insurance Portability and Accountability Act (HIPAA) requires the use of a National Provider Identification code for medical providers by May 2007. The Department of Labor and Industries is not mandated to follow HIPAA rules. Nonetheless, to promote efficiency in state government, L&I will participate with other state agencies in using this common identifier for medical providers. Contract programmers will modify L&I's medical provider information, payment systems, and related claim information systems. Work needs to begin in July 2006 to meet the May 2007 deadline. Implementation costs are one-time, but there will be ongoing costs for main-frame usage and data storage. (Public Safety and Education Account-State, Medical Aid Account-State)

### **Crime Victims-Unsecured Loads #**

Legislation was enacted in the 2005 session that made failure to secure a load a crime. The Department of Labor and Industries has submitted request legislation to make a technical change that will include failure to secure a load in the first degree a vehicular crime covered under the Crime Victims Compensation Program. (Public Safety and Education Account-State)

## HUMAN SERVICES - OTHER

Agency 250

### Indeterminate Sentence Review Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	9.2	2,188		2,188
<b>Supplemental Changes</b>				
Workload Increase	1.0	150		150
Clemency and Parole Board Workload	.9	197		197
Pension Plan 1 Unfunded Liabilities			4	4
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>	1.9	349	4	353
<b>Total Proposed Budget</b>	11.1	2,537	4	2,541
Difference	1.9	349	4	353
Percent Change	20.1%	16.0%	100.0%	16.1%

#### SUPPLEMENTAL CHANGES

##### Workload Increase

The work of the Indeterminate Sentence Review Board (ISRB) has declined since the enactment of the 1984 Sentencing Reform Act. Consequently, the ISRB chair has functioned as the executive administrator in addition to the chair's statutory duties related to offender hearings. With the passage of determinate-plus sentencing for sex offenders and added responsibility to review all applicable cases, the workload has increased and the chair can no longer perform the administrative duties. Funding is provided to reinstate the executive administrator position.

##### Clemency and Parole Board Workload

The ISRB has been assisting in the review of cases appealing for a Clemency and Parole Board (CPB) hearing. Due to an increased workload, the ISRB is no longer able to provide assistance without additional resources. Funding will provide additional staff and resources to review cases and conduct CPB hearings.

Agency 302

**Home Care Quality Authority****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	4.0	2,012	1,034	3,046
<b>Supplemental Changes</b>				
Expansion of Referral Registry				
Federal Grant Technical Correction			133	133
Pension Plan 1 Unfunded Liabilities			2	2
Central Service Agency Charges		1		1
<b>Subtotal - Supplemental Changes</b>		1	135	136
<b>Total Proposed Budget</b>	4.0	2,013	1,169	3,182
Difference		1	135	136
Percent Change	0.0%	0.0%	13.1%	4.5%

**SUPPLEMENTAL CHANGES****Expansion of Referral Registry**

The 2005-07 budget bill allows the Home Care Quality Authority (HCQA) to use its administrative funding to move forward with the implementation of a statewide referral registry of individual providers of home care services. HCQA has identified savings of approximately \$400,000 in each fiscal year of the 2005-07 Biennium. The Office of Financial Management has directed the HCQA to extend referral registry to as many areas in the state as possible without creating an additional budget impact in the ensuing biennium. It is estimated that five to eight more sites than originally planned may be added this biennium. Savings achieved in Fiscal Year 2006 are transferred to Fiscal Year 2007 to provide flexibility in creating these additional sites.

**Federal Grant Technical Correction**

The Centers for Medicare and Medicaid Services (CMS) provided grants for implementation of four registry sites in the 2005-07 Biennium. Not all of the Fiscal Year 2005 authority was used and unspent money is transferred to Fiscal Year 2007. Additionally, the total level of available grant funding is higher than originally anticipated. (General Fund-Federal)

## HUMAN SERVICES - OTHER

Agency 303

### Department of Health

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,308.5	128,441	749,863	878,304
<b>Supplemental Changes</b>				
Local Nutrition Services Reimbursement			660	660
Additional Vaccine Purchase			3,574	3,574
National Healthcare Practitioners Databases	3.8		960	960
Pandemic Flu Monitoring	.5	100		100
Disaster Preparedness Outreach		300		300
Health Professions Credentialing	2.9		325	325
New Vaccine Purchase			1,469	1,469
Washington Health Professional Services Staffing	1.1		163	163
SmartBuy		(1,105)		(1,105)
Pension Plan 1 Unfunded Liabilities			599	599
Classification Revisions		11	16	27
Mileage Rate Adjustments		53	143	196
Central Service Agency Charges		74	183	257
Federal Funding Adjustment	21.6		9,298	9,298
Local Funding Adjustment			4,005	4,005
<b>Subtotal - Supplemental Changes</b>	29.8	(567)	21,395	20,828
<b>Total Proposed Budget</b>	1,338.3	127,874	771,258	899,132
Difference	29.8	(567)	21,395	20,828
Percent Change	2.3%	(0.4)%	2.9%	2.4%

#### SUPPLEMENTAL CHANGES

##### Local Nutrition Services Reimbursement

Effective July 1, 2006, the per client funding provided to local public health, non-profit, and community health care agencies for Women, Infant and Children (WIC) nutrition services is increased from \$112 to \$116 per client per year. (General Fund-Federal)

##### Additional Vaccine Purchase

Funding is provided for additional doses of varicella vaccine needed because of increasing immunization rates for this vaccination (approximately a 10 percent increase between 2003 and 2004) and for medical inflation costs associated with all routinely recommended childhood vaccines. (Health Services Account-State)

##### National Healthcare Practitioners Databases

The Department's Health Professions Quality Assurance Program (HPQA) licenses health care professionals in Washington State. To respond to the increase in the number of health care professionals moving into Washington State, HPQA will begin checking the Federal Healthcare Integrity and Protection Data Bank to determine if action has been taken against an applicant's license in another state. This action will decrease the risk of the department unknowingly licensing a practitioner who has a history of complaints or malpractice. (Health Professions Account-State)



### **Pandemic Flu Monitoring**

Additional resources are provided to increase the state's ability to monitor and detect pandemic flu activity. These resources will help improve surveillance for unusual types of influenza, perform rapid molecular testing to identify influenza strains, and help develop advanced influenza tracking and reporting systems.

### **Disaster Preparedness Outreach**

Funding is provided to better educate the public on issues related to natural and epidemiological disasters. The campaign will develop, translate, print, and distribute a disaster preparedness guide for individuals and families that will include a letter from state leaders asking people to do what they can to personally prepare for disasters.

### **Health Professions Credentialing**

The Health Professions Quality Assurance Program issues credentials to health care professionals in Washington State. To help ensure that Washington citizens have safe encounters with healthcare providers, funding is provided to increase HPQA's ability to promptly issue credentials in the high-volume nursing and health care assistant licensing areas. (Health Professions Account-State)

### **New Vaccine Purchase**

The State Board of Health has recently added varicella to the required regimen of vaccinations needed for school entry. In addition, the federal Advisory Committee on Immunization Practices has added two other vaccines, meningococcal and tetanus diphtheria acellular pertussis vaccine (Tdap), to the routinely recommended childhood vaccine schedule. To keep Washington's universal vaccination distribution system current, funding is provided to purchase approximately 250,000 additional vaccinations. (Health Services Account-State)

### **Washington Health Professional Services Staffing**

The Washington Health Professional Services (WHPS) was created in 1990 as a multi-disciplinary monitoring program for health professionals whose ability to practice is impaired by chemical dependencies. WHPS has experienced a steadily growing caseload of impaired providers. Current workloads for case managers are too high to adequately serve the needs of clients, limiting the full effectiveness of the program and limiting access to the program. Additional resources are provided to reduce the average caseload from 194 to 127 (per worker). (Health Professions Account-State)

### **Mileage Rate Adjustments**

The U.S. Treasury Department raised its allowable reimbursement rate for automobile mileage to \$.485, effective September 15, 2005 through December 2005. Effective January 2006, the rate becomes \$.445 per mile. Funding is provided for the difference between the \$.375 per mile reimbursement rate set in the 2005-07 Biennium and the new rates for the first year of the biennium. (General Fund-State, various other funds)

### **Federal Funding Adjustment**

Federal expenditure authority and related staff are increased to reflect ten continuing grants that have received additional funding as well as two new grant awards. (General Fund-Federal)

### **Local Funding Adjustment**

Local expenditure authority for the Department of Health is increased to match projected local revenue. (General Fund-Private/Local)

## HUMAN SERVICES - OTHER

Agency 305

### Department of Veterans Affairs

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	614.0	25,915	60,143	86,058
<b>Supplemental Changes</b>				
Federal Earnings		(3,488)	3,488	
Services to Iraq and Afghanistan Returnees		500		500
Eastern Washington Cemetery		500		500
Extension of Nursing Home Capacity	11.4		1,552	1,552
SmartBuy		(678)		(678)
Pension Plan 1 Unfunded Liabilities			208	208
Classification Revisions		(4)		(4)
Utility Rate Adjustments		82		82
Central Service Agency Charges		33	60	93
<b>Subtotal - Supplemental Changes</b>	11.4	(3,055)	5,308	2,253
<b>Total Proposed Budget</b>	625.3	22,860	65,451	88,311
Difference	11.4	(3,055)	5,308	2,253
Percent Change	1.8%	(11.8)%	8.8%	2.6%

#### SUPPLEMENTAL CHANGES

##### Federal Earnings

General Fund-State expenditure authority is reduced due to a revised revenue forecast that shows the institutional program will earn more federal and private/local revenue than anticipated in the 2005-07 biennial budget. (General Fund-State/Federal/Private/Local)

##### Services to Iraq and Afghanistan Returnees

The Department of Veterans Affairs has created a community-based network to assist returning Iraq and Afghanistan military personnel in applying for benefits and services. Funding is provided for 28 additional Family Activity Days where local veterans groups educate returning veterans of their benefit rights. Funding is also provided for additional post traumatic stress disorder treatment and education for approximately 130 new returnees.

##### Eastern Washington Cemetery

Funds are provided for the design of the new Eastern Washington Veterans Cemetery scheduled to open in Fiscal Year 2008. The federal government will fully reimburse the state for the design costs and will pay for construction of the facility.

##### Extension of Nursing Home Capacity

In order to serve additional veterans who have skilled nursing needs, the department will open 40 beds at the Washington Veterans Home in Retsil. (General Fund-Federal, General Fund-Private/Local)

##### Utility Rate Adjustments

Substantial utility rate increases necessitate additional funding for Fiscal Year 2006.

Agency 310

**Department of Corrections****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	7,994.9	1,390,181	32,456	1,422,637
<b>Supplemental Changes</b>				
Contract Nursing in State Prisons		3,282		3,282
Consolidation of Headquarters		1,696		1,696
Regulatory Compliance	.5	627		627
Offender Management Network (OMNI)		11,250		11,250
Correct Appropriation Type				
State Criminal Alien Assistance Program		977	(977)	
Community Based Drug Offender Sentencing Alternative		3,509		3,509
Resource Conservation Manager	.7			
SmartBuy		(4,968)		(4,968)
Pension Plan 1 Unfunded Liabilities			3,038	3,038
Classification Revisions		49		49
Interagency Rate Changes		6,900		6,900
Utility Rate Adjustments		1,221		1,221
Central Service Agency Charges		1,040		1,040
Mandatory Caseload Adjustments	116.1	22,218		22,218
Medical Inflation		7,111		7,111
<b>Subtotal - Supplemental Changes</b>	117.2	54,912	2,061	56,973
<b>Total Proposed Budget</b>	8,112.1	1,445,093	34,517	1,479,610
Difference	117.2	54,912	2,061	56,973
Percent Change	1.5%	3.9%	6.4%	4.0%

**SUPPLEMENTAL CHANGES****Contract Nursing in State Prisons**

The Department of Corrections (DOC) currently has a vacancy rate of 16 percent for qualified nurses necessary to maintain current health care service levels. Additional resources are provided to purchase contracted nursing services to address the shortage.

**Consolidation of Headquarters**

Additional funding is provided to honor the lease of the previous DOC headquarters building until a new tenant can be found.

**Regulatory Compliance**

Regulatory requirements have recently changed as a result of actions by other state agencies and local municipalities. Additional resources are provided to meet these new requirements, primarily in Marine Operations and fire safety.

## **HUMAN SERVICES - OTHER**

### **Offender Management Network (OMNI)**

The Department is currently planning the final phase of constructing and implementing the Offender Management Network Information (OMNI) system. This funding will complete the construction of OMNI and the replacement of the antiquated Offender Based Tracking System (OBTS).

### **Correct Appropriation Type**

The Industrial Insurance Account appropriation was incorrectly coded as appropriated in the 2005-07 Biennial Budget. This appropriation is changed to nonappropriated. (Industrial Insurance Premium Refund Account-State/Nonappropriated)

### **State Criminal Alien Assistance Program**

The Federal Bureau of Justice Assistance reduced the annual allocation for the State Criminal Alien Assistance Program by approximately \$500,000. This federal program provides assistance to local authorities to offset incarceration costs related to aliens who have been convicted of violating state laws. The Department uses the federal funds toward a small portion of housing costs related to these offenders. State funding is provided to offset the reduction of federal funds. (General Fund-State, General Fund-Federal)

### **Community Based Drug Offender Sentencing Alternative**

ESHB 2015, related to drug offender treatment, passed during the 2005 legislative session and established a community-based drug offender sentencing alternative. Funding is provided to cover the additional expenditures incurred by the Department in implementing the new law.

### **Resource Conservation Manager**

Although the Department of Corrections has achieved considerable energy savings in its facilities, opportunities for additional savings are not being realized because no single person has the sole responsibility for maximizing utility savings. In cooperation with private utilities, the department will hire a resource conservation manager to achieve additional electrical and natural gas savings at its facilities.

### **Interagency Rate Changes**

Funding is provided for interagency billings that are anticipated to exceed allocations in risk management, information services, and Attorney General fees.

### **Utility Rate Adjustments**

Rates for electricity and natural gas have increased beyond expectations. Funding is provided to cover these increases in the first year of the biennium.

### **Mandatory Caseload Adjustments**

The Caseload Forecast Council has projected that offender population forecasts will increase by 2 percent over the level assumed in the 2005-07 Biennial Budget. Funding is provided to cover costs related to community supervision and confining the offender population.

### **Medical Inflation**

Inflationary increases for psychotropic drugs and health services are funded at a rate of 5.3 percent per fiscal year. Additional funding is needed to meet actual cost increases. The Department will continue to mitigate the impact of inflation in health care cost centers through its ongoing cost containment efforts and implementation of the Health Services Master Plan.

Agency 315

**Department of Services for the Blind****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	67.3	3,826	17,197	21,023
<b>Supplemental Changes</b>				
Additional Clerical Staff	1.0			
Reallocation of Federal Grants	2.4	107	391	498
SmartBuy		(45)		(45)
Pension Plan 1 Unfunded Liabilities			28	28
Classification Revisions			(1)	(1)
Central Service Agency Charges		3	11	14
<b>Subtotal - Supplemental Changes</b>	3.4	65	429	494
<b>Total Proposed Budget</b>	70.7	3,891	17,626	21,517
Difference	3.4	65	429	494
Percent Change	5.1%	1.7%	2.5%	2.3%

**SUPPLEMENTAL CHANGES****Additional Clerical Staff**

The Business Enterprise Program is given authority for an additional clerical staff member. This position is funded by a nonappropriated account.

**Reallocation of Federal Grants**

The Department of Services for the Blind (DSB) and the Department of Social and Health Services, Division of Vocational Rehabilitation (DVR) have agreed to change the allocation of the federal Vocational Rehabilitation (VR) Basic Support Services Grant. In Federal Fiscal Year 2005, DVR received 86 percent and DSB received 14 percent of the grant. In Federal Fiscal Year 2006, DSB will receive an additional 0.5 percent of the grant, another 0.5 percent in Federal Fiscal Year 2008, and another 0.5 percent in Federal Fiscal Year 2010. Neither the amount of the grant received by the state nor the required state match is changed. The change more closely aligns the distribution of the grant between the two agencies to vocational rehabilitation agencies in other states. This change will also allow DSB to more effectively address caseload growth. (General Fund-State, General Fund-Federal)

## HUMAN SERVICES - OTHER

Agency 325

### Sentencing Guidelines Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	10.4	1,725		1,725
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			4	4
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>		2	4	6
<b>Total Proposed Budget</b>	10.4	1,727	4	1,731
Difference		2	4	6
Percent Change	0.0%	0.1%	100.0%	0.3%

Agency 540

**Employment Security Department****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2,170.7	120	530,296	530,416
<b>Supplemental Changes</b>				
Unemployment Fraud Detection *	12.0		1,881	1,881
Pension Plan 1 Unfunded Liabilities			875	875
Classification Revisions			(3)	(3)
Central Service Agency Charges			560	560
<b>Subtotal - Supplemental Changes</b>	12.0		3,313	3,313
<b>Total Proposed Budget</b>	2,182.6	120	533,609	533,729
Difference	12.0		3,313	3,313
Percent Change	0.6%	0.0%	0.6%	0.6%

**SUPPLEMENTAL CHANGES****Unemployment Fraud Detection \***

The Employment Security Department will enhance its ability to detect fraud in the unemployment insurance system. A new fraud detection unit is created that will identify, prosecute, and collect from people who file inaccurate or fraudulent unemployment claims that result in overpayments. The Department also will pursue employers who do not pay their unemployment insurance taxes. This investment will likely generate approximately \$14.2 million in revenue for the Administrative Contingency and Unemployment Insurance Trust accounts during Fiscal Year 2007. (Administrative Contingency Account-State)





## NATURAL RESOURCES AND RECREATION

Agency 460

### Columbia River Gorge Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	10.8	949	859	1,808
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			4	4
Central Service Agency Charges		1	1	2
<b>Subtotal - Supplemental Changes</b>		1	5	6
<b>Total Proposed Budget</b>	10.8	950	864	1,814
Difference		1	5	6
Percent Change	0.0%	0.1%	0.6%	0.3%

# NATURAL RESOURCES AND RECREATION

Agency 461

## Department of Ecology

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,483.7	80,692	308,068	388,760
<b>Supplemental Changes</b>				
Well Construction Technical Correction		300		300
Fund Balancing			(534)	(534)
Reduce Puget Sound Toxics From Businesses	2.0		458	458
Enhance Voluntary Cleanup Program	4.0		1,000	1,000
Cleanup Priority Act Implementation	4.2		2,405	2,405
Cleanup Priority Act Legal Defense			546	546
Hanford Groundwater Modeling			120	120
PBT Implementation	.5		528	528
Enhance Puget Sound Cleanups	3.5		700	700
Superfund Cleanup Site Operation			375	375
Hazardous Material Spill Response	1.0		301	301
Hazardous Waste Compliance	2.0		580	580
Mercury Chemical Action Plan	1.5		415	415
U.S. Environmental Protection Agency Grant			642	642
Air Permit Technical Correction			232	232
Water Quality Loan Capacity	1.0		428	428
Stream Gaging Cooperative Program			125	125
Construction Stormwater Permits	4.5		781	781
Green House Gas Inventory and Economic Assessments	.5	200		200
Puget Sound Oil Transfer Inspection	3.0		859	859
Flood Control Emergency Grant Funds			335	335
Waste to Fuels Technology			225	225
SmartBuy		(791)		(791)
Pension Plan 1 Unfunded Liabilities			685	685
Classification Revisions		(1)	(42)	(43)
Fuel Rate Adjustment		41	96	137
Central Service Agency Charges		110	181	291
<b>Subtotal - Supplemental Changes</b>	27.7	(141)	11,441	11,300
<b>Total Proposed Budget</b>	1,511.4	80,551	319,509	400,060
Difference	27.7	(141)	11,441	11,300
Percent Change	1.9%	(0.2)%	3.7%	2.9%

### SUPPLEMENTAL CHANGES

#### **Well Construction Technical Correction**

The Department of Ecology and local health departments regulate well construction and decommissioning to ensure proper construction and to protect groundwater resources. An incorrect proviso in the operating budget reduced the state General Fund appropriation by \$300,000 for this program. The funding is reinstated.

#### **Fund Balancing**

The Emergency Water Account is reduced because it was double appropriated in the 2003-05 and 2005-07 Biennia, due to not knowing when the expenditures were actually going to occur. The Freshwater Weeds Account also had expenditures in both biennia since the exact timing of when they were going to be paid out was unknown. (State Emergency Water Projects Account, State Drought Preparedness Account, Freshwater Aquatic Weeds Account, Emergency Water Account-State, Fresh Water Weeds Account-State)

#### **Reduce Puget Sound Toxics From Businesses**

A Technical Resources for Engineering Efficiency (TREE) Program team is created for Puget Sound businesses. Four staff will provide engineering and technical assistance to help industrial and commercial facilities redesign processes to eliminate or substantially reduce the production of wastes that contain toxic contaminants while making significant water and energy saving improvements. Staff will identify businesses and/or toxics dischargers in Puget Sound watersheds and work with them to stop toxics before they start and save water before it is wasted. (State Toxics Control Account)

#### **Enhance Voluntary Cleanup Program**

The cleanup and protection of Puget Sound is critical to the social and economic well-being of the citizens of Washington State. The Department of Ecology will prioritize and accelerate the cleanup of 115 known contaminated sites that lie adjacent to and within one-half mile of Puget Sound. This action will utilize the Voluntary Cleanup Program, existing formal administrative oversight capabilities, and contracted cleanups for abandoned sites that pose a threat to Puget Sound. (State Toxics Account-State)

#### **Cleanup Priority Act Implementation**

The Cleanup Priority Act (CPA) passed by Washington State voters in 2004 requires the Department to undertake specific actions for the cleanup of Hanford. The CPA was challenged in court by the federal government and a final court ruling is pending. Currently, the state is significantly restrained by a federal court order from implementing the CPA. If the case is resolved this summer, authority is provided for the Department of Ecology to implement the CPA, which is funded by federal fees related to the Hanford Nuclear Reservation. (State Toxics Control Account)

#### **Cleanup Priority Act Legal Defense**

The CPA requires the Department of Ecology to undertake specific actions for the cleanup of the Hanford Nuclear Reservation. Federal fees will pay for legal defense of this voter-approved initiative. (State Toxics Control Account)

#### **Hanford Groundwater Modeling**

The Department of Ecology is responsible for state oversight of the cleanup and management of the Hanford Nuclear Reservation. To properly review and analyze several complex environmental documents currently being developed or modified by the United States Department of Energy, Ecology needs to complete specialized groundwater modeling and risk assessments. Federal fees will procure contracted services to support the evaluation of the Hanford Solid Waste Environmental Impact Statement (EIS), Hanford Tank Waste EIS, Hanford Integrated Disposal Facility Permit risk analysis, and Hanford Tank Farms Closure Plan risk analysis. (State Toxics Control Account-State)

## **NATURAL RESOURCES AND RECREATION**

### **PBT Implementation**

The Department of Ecology will complete the Polybrominated Diphenyl Ethers (PBDE) chemical action plan by December 2005 and begin implementation of the plan. PBDEs are chemicals used in flame retardants and are a Persistent Bioaccumulating Toxin (PBT) that can cause adverse health effects. In addition, the Department will use one-time funding to monitor PBTs in the environment and develop a multi-year chemical action schedule. The Department of Health will add an ongoing staff to coordinate fish consumption advisories and continue education efforts regarding these advisories. (State Toxics Control Account-State)

### **Enhance Puget Sound Cleanups**

The cleanup and protection of Puget Sound is critical to the social and economic well-being of the citizens of Washington State. The department will add eight cleanup staff to undertake pollution source control measures in the Lower Duwamish Waterway in support of a multi-party cleanup effort, as well as coordinate source control and cleanup of state-owned aquatic lands and adjacent uplands around Puget Sound. (State Toxics Control Account)

### **Superfund Cleanup Site Operation**

Under the federal Superfund law, the Environmental Protection Agency cleans up contaminated sites for which there are no responsible parties to pay for the costs. After the cleanup is completed, these sites are transferred to states who are responsible for all costs associated with the continued site maintenance. Within the past year, two sites have been transferred to Washington State which require significant expenditures to fulfill the maintenance responsibilities. Maintenance will be conducted at Well 12A in Tacoma and Frontier Hardchrome in Vancouver. (State Toxics Control Account-State)

### **Hazardous Material Spill Response**

The Department of Ecology responds to hazardous materials spills and performs cleanups to ensure that standards for public health and environmental protection are met. Ecology has experienced a 30 percent increase in reported hazardous materials spills over the past three years with an increase of over 300 reports a year occurring in the northwest counties. Two additional spill responders for the northwest region will support early response and address the high potential for hazardous materials releases from transportation, oil refining activities, and pipelines in areas in and adjacent to Puget Sound. (State Toxics Control Account-State)

### **Hazardous Waste Compliance**

The Department of Ecology inspects businesses that generate hazardous wastes to ensure compliance with state laws. The agency also issues permits to facilities that treat, store and/or dispose of hazardous wastes to ensure that they adequately protect public health and the environment. To respond to increasing environmental threats found at these facilities, four additional inspectors will conduct an additional 150 compliance/enforcement and corrective action activities to protect public health and to possibly avoid greater cleanup costs in the future. (State Toxics Control Account-State)

### **Mercury Chemical Action Plan**

Mercury is a long-lived Persistent Bioaccumulative Toxin (PBT) and is very harmful to humans, especially women of childbearing age and children. The Department of Ecology (DOE) will implement the Mercury Chemical Action Plan (MCAP), which is the first chemical action plan developed under the agency's PBT strategy as directed under the Mercury Reduction and Education Act (Chapter 70.95M RCW). Ecology will negotiate and implement three memoranda of understanding with key sectors (dental offices, hospitals and auto recyclers) that work with mercury containing products and/or waste. All costs are one-time except for ongoing monitoring and reporting. Furthermore, the Department of Health will participate in these activities with DOE, which will result in reduced human and environmental exposure to this toxic chemical. (State Toxics Control Account-State)

### **U.S. Environmental Protection Agency Grant**

Ecology will receive \$825,000 from the U.S. Environmental Protection Agency from January 2006 through June 2007. To gather data to evaluate compliance with permit conditions associated with wetland disturbance, four months (\$183,000) of this funding is being processed as an unanticipated receipt and the remainder is added to the Department's maintenance level budget. (General Fund-Federal)

### **Air Permit Technical Correction**

During the 2005-07 budget process, the Department of Ecology requested a \$1.3 million reduction in the Air Operating Permit Account appropriation based upon a forecasted reduction in work using a statutorily required workload model. However, the forecast did not anticipate the salary increases, benefit changes, and salary survey upgrades enacted by the 2005 Legislature. To provide a service level consistent with the workload model, additional permit fees will be collected to cover these increased costs from industrial and commercial facilities. (Air Operating Permit Account-State)

### **Water Quality Loan Capacity**

The United States Environmental Protection Agency (EPA) has made an additional \$10.7 million in one-time federal-state revolving capitalization grants available for Fiscal Year 2007. As a result, additional oversight, administration and loan tracking services will be required to administer these loans for wastewater treatment facilities. (Water Pollution Control Revolving-State, Water Pollution Control Revolving-Federal)

### **Stream Gaging Cooperative Program**

The Department of Ecology works cooperatively with the United States Geological Survey in funding stream gages in Washington State. Stream gages provide data critical for water management, drought response, flood management, setting and meeting instream flows, and local government land use decisions. To meet the required state match, one-time Reclamation Revolving Account funds are provided to maintain these cooperative gages during the current biennium. (Reclamation Account-State)

### **Construction Stormwater Permits**

The federal Clean Water Act requires certain industries, individuals and municipalities to have water quality discharge permits for their stormwater discharges. In November 2005, the Department of Ecology will re-issue construction permits that will include new permit requirements for construction sites that are between one and five acres. Increased fees accompanying these permits will help to ensure that properly managed stormwater discharges protects water quality, minimizes flooding and protects habitat. (Water Quality Permit Account-State)

### **Green House Gas Inventory and Economic Assessments**

Washington state is facing climate issues, such as lower snow packs and summer droughts, that will only become more severe as global warming advances. Reducing greenhouse gas emissions requires more than just a pollution control strategy. It requires an economic transition from carbon-based fuels to clean fuels and efficient energy systems. The state currently does not have a mechanism to provide current, detailed information about sources, volumes, or trends in greenhouse gases (GHG). In order to better inform future policy choices, ongoing funding will be used to inventory and categorize state GHG emission. The Department will also work with the University of Washington to complete an analysis of the economic impacts of climate change based on the latest scientific information. This information will provide the solid foundation necessary for making wise and effective decisions about important, long-term investments.

### **Puget Sound Oil Transfer Inspection**

More than 18 billion gallons of oil are transported through Washington State each year. Most of this oil is handled more than once when refined products are transferred between oil tankers, cargo vessels, shoreline facilities, and tank trucks. The 2004 Legislature enacted legislation requiring companies delivering fuel to vessels to place oil containment booms around the vessel and have alternative spill prevention measures in place. In fulfillment of this legislation, Ecology is writing rules to establish a state oil transfer inspection program and will inspect 35 percent of over 9,600 oil transfer operations performed each year. These inspections will emphasize high-risk transfers in order to achieve a significant reduction in damaging oil spills. (Oil Spill Prevention Account-State)

### **Flood Control Emergency Grant Funds**

The Department of Ecology provides grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management plans. To ensure that resources are available to address local emergency flood control needs that may emerge during this biennium, the remaining fund balance from this account is provided. (Flood Control Assistance Account-State)

## **NATURAL RESOURCES AND RECREATION**

### **Waste to Fuels Technology**

In order to help grow the bioenergy industry, the Department of Ecology will form a partnership with Washington State University to conduct research on markets, products, and bioenergy potential. Specific work will include beginning a pilot project to convert solid waste to biogas through anaerobic digestion and to complete a biomass inventory. The project will include the economic and technical assessments necessary to help the public sector and private business complete successful bioenergy projects. (State Toxics Control Account-State)

### **Fuel Rate Adjustment**

The Department of Ecology is responsible for a wide range of environmental permitting, inspection, and technical assistance work that requires staff travel. The agency's actual fuel consumption for Fiscal Year 2005 was 199,396 gallons. Current Washington State Department of Transportation fuel cost projections have significantly increased these costs above the current allocation. Funding is provided to cover these increased costs. (various accounts)

## NATURAL RESOURCES AND RECREATION

Agency 462

### Pollution Liability Insurance Program

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	7.1	2,001	2,001
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		4	4
Central Service Agency Charges		2	2
<b>Subtotal - Supplemental Changes</b>		6	6
<b>Total Proposed Budget</b>	7.1	2,007	2,007
Difference		6	6
Percent Change	0.0%	0.3%	0.3%

## NATURAL RESOURCES AND RECREATION

Agency 465

### State Parks and Recreation Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	711.9	69,196	51,015	120,211
<b>Supplemental Changes</b>				
SmartBuy		(126)		(126)
Pension Plan 1 Unfunded Liabilities			239	239
Classification Revisions		(352)	(40)	(392)
Fuel Rate Adjustment		190		190
Utility Rate Adjustments		47		47
Central Service Agency Charges		85	37	122
Workers Compensation Changes		335	111	446
Operating Costs/Existing Capital Project	1.6	136	60	196
<b>Subtotal - Supplemental Changes</b>	1.6	315	407	722
<b>Total Proposed Budget</b>	713.5	69,511	51,422	120,933
Difference	1.6	315	407	722
Percent Change	0.2%	0.5%	0.8%	0.6%

#### SUPPLEMENTAL CHANGES

##### Fuel Rate Adjustment

One-time funding is provided for the increased cost of motor fuel.

##### Utility Rate Adjustments

One-time funding is provided for increased propane and heating oil costs associated with the commons building at Fort Worden State Park.

##### Workers Compensation Changes

Adjustments of workers' compensation charges include changes to an agency's experience factor that reflects the agency's past claim history. (General Fund-State, Parks Renewal and Stewardship Account-State)

##### Operating Costs/Existing Capital Project

State Parks acquired the Sunrise Resort property through the Washington Wildlife and Recreation Program in March 2005. A combination of one-time and ongoing funding and staffing is provided to operate this property, a developed campground with 81 utility and 10 tent sites, located adjacent to Deception Pass State Park. (General Fund-State, Parks Renewal and Stewardship Account-State)



## NATURAL RESOURCES AND RECREATION

Agency 467

### Interagency Committee for Outdoor Recreation

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	28.1	2,815	23,168	25,983
<b>Supplemental Changes</b>				
Fund Balance Adjustment			(995)	(995)
Staff Realignment	(4.8)			
Pension Plan 1 Unfunded Liabilities			18	18
Central Service Agency Charges		3	5	8
<b>Subtotal - Supplemental Changes</b>	(4.8)	3	(972)	(969)
<b>Total Proposed Budget</b>	23.3	2,818	22,196	25,014
Difference	(4.8)	3	(972)	(969)
Percent Change	(16.9)%	0.1%	(4.2)%	(3.7)%

#### SUPPLEMENTAL CHANGES

##### Staff Realignment

Realignment of agency staffing is initiated during the 2005-07 biennium to implement changes in the Habitat Conservation Program enacted in Engrossed Senate Bill 5396 in the 2005 legislative session. This legislation transferred grant program administration from the operating to the capital budget. The staff transfer will be complete during Fiscal Year 2007 and will be biennialized in the 2007-09 biennial budget.

## NATURAL RESOURCES AND RECREATION

Agency 468

### Environmental Hearings Office

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	9.0	2,121		2,121
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			5	5
Central Service Agency Charges		2		2
<b>Subtotal - Supplemental Changes</b>		2	5	7
<b>Total Proposed Budget</b>	9.0	2,123	5	2,128
Difference		2	5	7
Percent Change	0.0%	0.1%	100.0%	0.3%

## NATURAL RESOURCES AND RECREATION

Agency 471

### State Conservation Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	12.3	4,488	4,175	8,663
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			5	5
Central Service Agency Charges		3	1	4
Federal Funding Adjustment			250	250
<b>Subtotal - Supplemental Changes</b>		3	256	259
<b>Total Proposed Budget</b>	12.3	4,491	4,431	8,922
Difference		3	256	259
Percent Change	0.0%	0.1%	6.1%	3.0%

#### SUPPLEMENTAL CHANGES

##### Federal Funding Adjustment

Federal expenditure authority is provided to reflect the volume of federal grants anticipated during the 2005-07 Biennium. During Fiscal Years 2005 and 2006, the federal Natural Resources Conservation Service (NRCS) awarded a total of \$62,500 to the Commission for professional engineering services related to federally funded conservation projects. The Commission anticipates that it will receive similar grants on a regular basis in the future, and that the grant amounts will increase due to a reduction in NRCS staff in Washington State. (General Fund-Federal)

## NATURAL RESOURCES AND RECREATION

Agency 477

### Department of Fish and Wildlife

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,514.8	90,221	212,290	302,511
<b>Supplemental Changes</b>				
Maintain Hatchery Operations		113	112	225
Fire Suppression and Rehabilitation	1.0	601		601
Fund Balance Adjustments			(56)	(56)
Co-Management Implementation	1.5	394		394
Chinook Salmon Marking-Additional Authority	1.0		3,840	3,840
Puget Sound Nearshore Ecosystem Restoration	.7	500		500
Habitat Harvest Data Management and Access			700	700
Mitchell Act Fall Chinook Mass Marking	2.3		1,574	1,574
Fish Feed Costs		50	50	100
Winter Blackmouth Fishery Research	1.0		200	200
Habitat Conservation Planning	1.5		660	660
Habitat Conservation Plan Wildlife	1.0		544	544
Cross Base Highway Funding	1.0		350	350
Personalized License Plate Authority	1.0		250	250
SmartBuy		(1,056)		(1,056)
Pension Plan 1 Unfunded Liabilities			613	613
Classification Revisions		(16)	(83)	(99)
Technical Corrections	1.0		28	28
Interagency Rate Changes		316	188	504
Fuel Rate Adjustment		48	47	95
Utility Rate Adjustments		110	110	220
Central Service Agency Charges		188	125	313
Federal Funding Adjustment	5.0		2,500	2,500
Nonappropriated Fund Adjustment				
Operating Costs/Existing Capital Projects		150		150
<b>Subtotal - Supplemental Changes</b>	18.0	1,398	11,752	13,150
<b>Total Proposed Budget</b>	1,532.8	91,619	224,042	315,661
Difference	18.0	1,398	11,752	13,150
Percent Change	1.2%	1.5%	5.5%	4.3%

### SUPPLEMENTAL CHANGES

#### **Maintain Hatchery Operations**

The Department has insufficient funds to continue operating all of its hatcheries in Fiscal Year 2007 because of increased fuel, utilities and fish feed costs, as well as the loss of local mitigation funding from Tacoma City Light. This proposal restores lost local mitigation funding and allows the Department to continue operation and maintain production at the Nemah, Mossyrock, Omak, Colville, Arlington, and Columbia Basin hatcheries. (General Fund-State, State Wildlife Account-State)

#### **Fire Suppression and Rehabilitation**

The 2005 fire season burned over 18,000 acres of Washington Department of Fish and Wildlife (WDFW) lands and facilities on seven different wildlife areas. The agency will provide for immediate rehabilitation of these lands to protect Endangered Species Act (ESA) listed salmonids by controlling erosion, restoring native perennial vegetation, and limiting the spread of noxious weeds. Activities include seeding and planting vegetation, fertilizing, controlling weeds, and establishing water bars and other erosion control measures. Expenditures are expected to be one-time, although future impacts to specific site conditions (weather, fires, etc.) may require additional project maintenance.

#### **Fund Balance Adjustments**

Funding is adjusted for operating expenses in the Coastal Crab Account and Recreational Resources Account. The Coastal Crab Account reduction aligns operating expenses with available revenues. The Recreational Resources Account reduction corrects a technical error carried forward into the 2005-07 Biennium. (Coastal Crab Account-Private/Local and Recreational Resources Account-State)

#### **Co-Management Implementation**

Funding is provided for the Washington Department of Fish and Wildlife to coordinate and align state and tribal policies and management activities for emerging fish and wildlife management initiatives. These activities include hatchery reform, selective fisheries, implementation of salmon recovery plans, and renegotiation of the U.S./Canada Salmon Treaty. This funding will enable the department to better coordinate co-management objectives between the state and their tribal partners, thereby improving fish and wildlife resource management statewide.

#### **Chinook Salmon Marking-Additional Authority**

Marking hatchery fish is necessary to meet Endangered Species Act requirements and to provide selective fishery opportunities to the public. Federal funding is provided to mass mark federally-funded hatchery chinook salmon. The Department will undertake the actual marking of fish, purchase of manual marking trailers, the lease/purchase of an automated marking system, and double index tagging that verifies the accuracy of the Department's estimates of harvest availability. (General Fund-Federal)

#### **Puget Sound Nearshore Ecosystem Restoration**

The Puget Sound Nearshore Ecosystem Restoration Project is in the third year of a five-year, \$12 million feasibility study to analyze large-scale restoration actions required to protect and restore the Puget Sound ecosystem. The evaluation of these restoration actions will prioritize a list of projects across Puget Sound for submission to the U.S. Army Corps of Engineers (Corps) and Congress for funding. A state match is provided for the 50/50 cost-share agreement signed by the Department and the Corps in 2002 to conduct the study. (General Fund-Federal)

#### **Habitat Harvest Data Management and Access**

Implementing salmon recovery actions requires sound science as well as access and analysis of good data. Federal expenditure authority is provided to WDFW for the development of database tools to assist local lead entities, watershed organizations, potential sponsors, and others to access listings of habitat projects supported by approved recovery strategy and implementation plans. This will enable stakeholders to better coordinate implementation of specific recovery projects. (General Fund-Federal)

## **NATURAL RESOURCES AND RECREATION**

### **Mitchell Act Fall Chinook Mass Marking**

Federal expenditure authority is provided to continue the mass marking of 16.4 million Mitchell Act funded fall chinook salmon in the lower Columbia River. This marking is required by federal law and is necessary to meet Endangered Species Act requirements. The purpose of mass marking is to distinguish hatchery-raised fish from wild fish in order to provide additional selective fishery opportunities to the public. (General Fund-Federal)

### **Fish Feed Costs**

The Department has insufficient funds to continue operating all hatcheries in Fiscal Year 2007 due to increased fish feed costs. This item funds the increased fish feed costs specifically related to hatchery operations to ensure that all hatchery facilities remain open for the entire 2005-07 Biennium. (General Fund-State, State Wildlife Account-State)

### **Winter Blackmouth Fishery Research**

Research is necessary for the winter blackmouth fishery to resolve concerns on the impacts that contaminants in Puget Sound may have on resident chinook (blackmouth) and various groundfish. Increased expenditure authority is provided from existing funds in the Puget Sound Recreational Fisheries Enhancement Program Account to begin this research. This item was developed with assistance from the Puget Sound Recreational Fisheries Enhancement Citizen Oversight Committee. (Puget Sound Recreational Fisheries Enhancement Account-State)

### **Habitat Conservation Planning**

The department has secured federal grants from the Department of Interior under Section 6 of the Endangered Species Act (ESA) to initiate a comprehensive review of the hydraulic project approval permit rules and undergo a public process for adoption of new or revised rules that may be needed. Once the rules are revised or newly adopted, the Department will complete a habitat conservation plan for the entire hydraulic project approval program. This request begins implementing recommendations from the 2002 Hydraulic Project Approval Task Force and will provide protection for the Department from ESA lawsuits. (General Fund-Federal)

### **Habitat Conservation Plan Wildlife**

The Department has secured federal grants from the Department of Interior under Section 6 of the Endangered Species Act (ESA) to develop a Habitat Conservation Plan for department-owned wildlife areas. The purpose of this plan is to review agency land management activities to address those that may adversely impact state and federally-listed species and other species of concern. This plan will provide the Department protection from ESA lawsuits. (General Fund-Federal)

### **Cross Base Highway Funding**

The Department of Transportation deposited \$1.5 million of federal funds into the special wildlife account for the Department to use for off-site mitigation due to the displacement of oak woodland and native grassland habitats and species by construction of the Cross-Base Highway in Pierce County. Authority is provided to begin mitigation activities. (Special Wildlife Account-State)

### **Personalized License Plate Authority**

The Personalized License Plates (PLP) account is dedicated to the management of nongame wildlife and is funded through the sale of personalized license plates. Increased expenditure authority is given to the Department as a state match for federal dollars received through the State Wildlife Grants program for non-game activities. (State Wildlife Account-State)

### **Technical Corrections**

Expenditure authority is adjusted to correct three technical issues from the enacted 2005-07 Biennial Budget. Specifically, funding is redistributed between fiscal years for the U.S. vs. Washington (Culvert) case, authority to spend funding dedicated to specific game management activities is biennialized, and a funding source is corrected to implement 2005 legislation preventing and controlling aquatic species and algae. (General Fund-State, State Wildlife Account-State, Aquatic Invasive Species Prevention Account-State, Freshwater Aquatic Algae Control Account-State)

## NATURAL RESOURCES AND RECREATION

### **Interagency Rate Changes**

Based upon invoices received to date and discussions with the Attorney General Legal Services Division and the Department of General Administration Facilities Services, the Department anticipates a shortfall in funds to cover various revolving fund payments. Without additional funding, existing budgeted activities will be affected and/or reduced. Funding is provided to cover these expected shortfalls. (General Fund-State, State Wildlife Account-State)

### **Fuel Rate Adjustment**

The Department has insufficient funds to continue operating all hatcheries in Fiscal Year 2007 due to increased fuel costs. This proposal funds the increased fuel costs within the agency specifically related to hatchery operations to ensure that all hatchery facilities remain open for the entire 2005-07 Biennium. (General Fund-State, State Wildlife Account-State)

### **Utility Rate Adjustments**

The Department has insufficient funds to continue operating all hatcheries in Fiscal Year 2007 due to increased utility costs. This item funds the increased utility costs within the agency specifically related to hatchery operations to ensure that all hatchery facilities remain open for the entire 2005-07 Biennium. (General Fund-State, State Wildlife Account-State)

### **Federal Funding Adjustment**

Various federal funding proposals were submitted and approved during the Fiscal Year 2005 supplemental budget process, but were not carried forward into the 2005-07 biennial budget as they were inadvertently identified as one-time costs by the Department. This item biennializes authority to spend federal funds related to state wildlife grants and continues authority to allow recreational fisheries enhancement groups to implement on-the-ground projects. (General Fund-Federal)

### **Nonappropriated Fund Adjustment**

A technical correction is made to shift expenditures from the Coastal Protection Account to the Special Wildlife Account as intended by the 2005 Legislature. Activities planned for the 2005-07 Biennium include continued maintenance, storage, and deployment of the oiled wildlife care trailer and development of a state-of-the-coast report. (Special Wildlife Account-State, Coastal Protection Account-Private/Local)

### **Operating Costs/Existing Capital Projects**

RCW 77.12.201 requires WDFW to make payments in-lieu of property tax (PILT) to counties that elect to receive this payment. WDFW has experienced an increase in the costs related to PILT and assessments against land that WDFW owns due to additional jurisdictions electing or using a new formula to receive PILT payments, increased conservation district assessments, and the establishment of new lake management districts. Additionally, the Bonneville Power Administration has eliminated funding to cover the cost of a local diking district assessment, which must now be covered by state funds.

## NATURAL RESOURCES AND RECREATION

Agency 490

### Department of Natural Resources

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,430.2	92,977	256,565	349,542
<b>Supplemental Changes</b>				
Reschedule Shellfish Settlement				
Dredged Material Management Program			668	668
Enhance Puget Sound Cleanup	.5		85	85
Emergency Fire Suppression		590	2,930	3,520
Geologic Hazards Program	3.0	497		497
Surface Mine Reclamation			246	246
SmartBuy		(1,423)		(1,423)
Pension Plan 1 Unfunded Liabilities			577	577
Classification Revisions		(1)	(123)	(124)
Fuel Rate Adjustment		199	354	553
Central Service Agency Charges		107	215	322
<b>Subtotal - Supplemental Changes</b>	3.5	(31)	4,952	4,921
<b>Total Proposed Budget</b>	1,433.7	92,946	261,517	354,463
Difference	3.5	(31)	4,952	4,921
Percent Change	0.2%	0.0%	1.9%	1.4%

#### SUPPLEMENTAL CHANGES

##### Reschedule Shellfish Settlement

One-time funding was provided in the 2005-07 biennial budget to pay the state's share of a grower-tribal settlement of tribal claims for shellfish cultivated on certain Washington tidelands. This funding was appropriated contingent upon federal appropriation of its share of the settlement cost. Negotiations regarding the federal match are continuing, but are not likely to conclude before the end of Fiscal Year 2006. Therefore, the original appropriation is shifted from Fiscal Year 2006 to Fiscal Year 2007 in order to give growers and tribes more time to arrange the federal contribution. (General Fund-State, Aquatic Lands Enhancement Account-State)

##### Dredged Material Management Program

The Department of Natural Resources operates 12 dredged-material disposal sites on state-owned aquatic lands located in Puget Sound, Grays Harbor, and Willapa Bay. Site management is funded by a volume-based fee deposited into the Dredged Material Management Account. Expenditure authority is increased in this account to match a higher amount of expected revenue. This funding will provide for required environmental monitoring, site management, and other programmatic costs. (Dredged Material Management Account-State)



## NATURAL RESOURCES AND RECREATION

### **Enhance Puget Sound Cleanup**

Funding and staffing are provided to initiate the process of focused cleanup of state-owned aquatic lands. This program, jointly carried out by the Department of Natural Resources' Aquatics Division and the Department of Ecology's Toxics Cleanup Program, will target contaminated aquatic sites where early cleanup and source-control actions will allow for restoration of state resources, including geoduck, other shellfish, or habitat features. Selected projects will integrate aquatic cleanup with adjacent upland source removal and source control. The work will be carried out through a combination of direct action by the state, contributions from potentially liable parties, and interagency agreements with affected local governments and resource agencies. (Aquatic Lands Enhancement Account-State)

### **Emergency Fire Suppression**

One-time funding is provided for incurred and anticipated costs during Fiscal Year 2006, in excess of the Department's existing fire-suppression appropriation. (General Fund-State, Landowner Contingency Forest Fire Suppression Account-Nonappropriated)

### **Geologic Hazards Program**

Funding and staffing are provided to research and map earthquake and landslide hazards throughout Washington State. During Fiscal Year 2007, the Geology Program will compile and publish seismic hazard maps of the Everett and Arlington areas. In addition, updated slope-stability maps will be published for the shoreline of Puget Sound in Mason and Thurston Counties. In future years, landslide and earthquake hazard maps will be published for other areas of the state.

### **Surface Mine Reclamation**

One-time expenditure authority is provided to enable the Department to spend unanticipated fund balance in the Surface Mining Reclamation Account, which funds the state's regulatory process for rehabilitating disturbed areas resulting from surface or underground mining. (Surface Mining Reclamation Account-State)

### **Fuel Rate Adjustment**

One-time funding is provided for the increased cost of motor fuel. (General Fund-State, Forest Development Account-State, Resource Management Cost Account-State, Forest Fire Protection Assessment Account-Nonappropriated, Access Road Revolving Account-Nonappropriated)

## NATURAL RESOURCES AND RECREATION

Agency 495

### Department of Agriculture

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	670.5	23,443	83,091	106,534
<b>Supplemental Changes</b>				
Legal Services Costs		14		14
Pandemic Flu Monitoring and Outreach	.5	100		100
Surface Water Monitoring			129	129
Veterinarian Recruitment		49		49
Weights and Measures Inspections *	4.0		724	724
SmartBuy		(172)		(172)
Pension Plan 1 Unfunded Liabilities			203	203
Classification Revisions			(35)	(35)
Central Service Agency Charges		32	67	99
<b>Subtotal - Supplemental Changes</b>	<b>4.5</b>	<b>23</b>	<b>1,088</b>	<b>1,111</b>
<b>Total Proposed Budget</b>	<b>675.0</b>	<b>23,466</b>	<b>84,179</b>	<b>107,645</b>
Difference	4.5	23	1,088	1,111
Percent Change	0.7%	0.1%	1.3%	1.0%

#### SUPPLEMENTAL CHANGES

##### Legal Services Costs

Based upon invoices received to date from the Attorney General Legal Services Division, the department anticipates a shortfall in funds available to cover legal services revolving fund payments. Without this additional funding, existing budgeted activities will be impacted and/or reduced for agency legal services. (General Fund-State)

##### Pandemic Flu Monitoring and Outreach

Domesticated bird populations are potential carriers of various pandemic flu strains including what is commonly know as the bird flu. Because pandemic flu may be transmitted to humans from the avian species, additional resources are provided to increase the state's ability to detect and monitor pandemic flu activity. Funding will help improve surveillance for unusual types of influenza within avian populations and will expand reporting systems.

##### Surface Water Monitoring

Pesticide runoff from agricultural operations may potentially harm salmonids living in rivers and streams. Efforts to monitor pesticide residues in the tree fruit growing area of the Upper Columbia River will provide additional Washington-specific data for federal assessments of a pesticide's potential risk to salmon. Site specific data is required to properly characterize the climate conditions of North Central Washington. This information cannot be obtained from existing test sites. (State Toxics Control Account)

## NATURAL RESOURCES AND RECREATION

### **Veterinarian Recruitment**

The agency has had difficulty securing experienced and qualified veterinarians to perform the wide range of regulatory duties required in the Animal Health program. A salary structure that competes poorly with other states and the private sector is a primary cause of the recruitment and retention challenges. The Department will use this funding to increase salaries in order to attract more candidates and help alleviate workload and public health issues related to ongoing vacant positions.

### **Weights and Measures Inspections \***

Washington currently conducts weight and measure device inspections less frequently than the national average. The state average ranges from every two years to almost never depending on device type, whereas the national average is every one to one and a half years. The current inspection program also produces higher rejection rates for many devices than the national average. This proposal supports agency request legislation to raise fees that will increase the state inspection average for each device to not more than every two years. Increased inspections and lowering of rejection rates will increase consumer protection, promote fair competition among businesses, and help ensure proper payment of business taxes. (Agricultural Local Account-Local)



Agency 205

**Board of Pilotage Commissioners****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.5	417	417
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		1	1
Central Service Agency Charges		2	2
<b>Subtotal - Supplemental Changes</b>		3	3
<b>Total Proposed Budget</b>	2.5	420	420
Difference		3	3
Percent Change	0.0%	0.7%	0.7%

## TRANSPORTATION

Agency 225

### Washington State Patrol

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2,384.9	66,791	339,049	405,840
<b>Supplemental Changes</b>				
Business Continuity	.5	275	872	1,147
Vessel and Terminal Security	18.0		4,678	4,678
Information Security Officer	.6	121		121
DUI Cost Recovery			410	410
Collision Accountability			50	50
Executive Protection Unit Costs		366		366
Technical Correction to Salary Funding		550		550
Fire Mobilization Costs and Technical Correction	1.3	1,875	246	2,121
SmartBuy		(346)		(346)
Pension Plan 1 Unfunded Liabilities			453	453
Classification Revisions		(6)	33	27
Fuel Rate Adjustment		156	1,281	1,437
Central Service Agency Charges		41	271	312
Other Fund Adjustments		(2,112)	2,112	
Equipment Maintenance/Software Licenses		44	142	186
<b>Subtotal - Supplemental Changes</b>	20.4	964	10,548	11,512
<b>Total Proposed Budget</b>	2,405.3	67,755	349,597	417,352
Difference	20.4	964	10,548	11,512
Percent Change	0.9%	1.4%	3.1%	2.8%

#### SUPPLEMENTAL CHANGES

##### Business Continuity

Funds are provided for the development and operation of an alternative data center to provide back-up capabilities of critical information technology systems in the event of a catastrophic natural or man-made disaster affecting primary facilities. (General Fund-State, State Patrol Highway Account-State)

##### Vessel and Terminal Security

Washington State operates the nation's largest ferry fleet with 24 vessels, 20 terminals, and an annual ridership of over 24 million passengers and 11 million cars. In March 2005, the WSP created the Vessel and Terminal Security Division (VATS) based in Seattle to ensure proper accountability of security efforts, a central chain of command, and a single point of contact for the Washington State Ferries and the United States Coast Guard. Rules promulgated by the U.S. Coast Guard define the Maritime Security (MARSEC) levels required for continued operation of the State Ferry System. These MARSEC levels dictate the number of vehicle screenings and visual inspections of vehicles and passengers boarding state ferries. This security activity is conducted by the Washington State Patrol, which relies primarily on canine units trained in locating explosive devices and bomb-making precursors. In order to provide a level of security that meets Coast Guard requirements, the Patrol requires an additional 18 FTEs and \$4.6 million for the 2005-07 Biennium. (State Patrol Highway Account-State)

**Information Security Officer**

The State Patrol manages a system known as the Washington Crime Information System and Washington State Identification System (W2). This system interfaces with the National Crime Information Center (NCIC) and criminal history database, Interstate Identification Index (III). Funding is provided for an information security officer responsible for documenting the state's technical compliance with the Federal Bureau of Investigation's NCIC 2000 security policy.

**DUI Cost Recovery**

One-time spending authority is provided for driving while under the influence (DUI) related cost reimbursements to fund expenditures for in-car video camera equipment from revenue collected in the 2003-05 Biennium. (State Patrol Highway Account-State)

**Collision Accountability**

During the 2005 legislative session, Substitute House Bill 1387 was enacted, requiring the Washington State Patrol to develop additional agency policies and procedures regarding officers involved in vehicle collisions. Funding is provided for a required third-party review of these policies and procedures by an experienced law enforcement management entity. (State Patrol Highway Account-State)

**Executive Protection Unit Costs**

The Washington State Patrol's Executive Protection Unit provides 24/7 coverage for the Governor and his/her family, as well as the Lieutenant Governor. Funding is provided for increased overtime and travel costs required to provide this security function.

**Technical Correction to Salary Funding**

The 2005-07 transportation budget provided a 3.8 percent salary increase for the State Patrol's commissioned officers effective July 1, 2005. The 2005-07 omnibus budget, however, provided no funding for this increase in Fiscal Year 2006, and a smaller percentage was used to calculate funding for Fiscal Year 2007. In order to correct the funding shortfall, \$270,500 is added for Fiscal Year 2006 and \$28,500 for Fiscal Year 2007 from the General Fund. This correction affects commissioned officers' salaries across the agency.

The Washington State Patrol's (WSP) Aviation Section currently insures each of its aircraft through a private insurance company brokered by the Office of Financial Management's Risk Management Division. The agency is purchasing a newer King Air to replace the 1975 King Air and two Cessna 206's to replace two Cessna 182's. Funding is provided to correct a technical error in the original budget and to account for increased insurance costs associated with these fleet upgrades.

During the 2005-07 biennial budget process, the Legislature authorized the State Patrol to use Certificates of Participation to fund replacement of the 1975 King Air. Omnibus funding for these debt service payments was inadvertently omitted and is provided here.

As part of an effort to expand staffing for the Washington State Patrol's crime laboratories during the 2005-07 Biennium, the agency proposed funding, in part, from the DNA Database Account. This nonappropriated account was mistakenly represented as an appropriated account in the 2005-07 omnibus budget. A technical correction is made to identify the funding from the DNA Database Account as nonappropriated. (General Fund-State, DNA Database Account-State)

**Fire Mobilization Costs and Technical Correction**

Fire mobilization costs incurred by the Washington State Patrol, as of July 31, 2005, have exceeded the Fire Contingency Pool appropriation for the 2005-07 Biennium by \$1.9 million. Funds are provided to cover these obligations. An additional \$4.0 million is provided for the Fire Contingency Pool as a special appropriation to the Governor.

## **TRANSPORTATION**

A drafting error in the enacted budget resulted in an appropriation to the Patrol of \$222,000 from the Aquatic Invasive Species Prevention Account. This appropriation, which should have been to the Department of Fish and Wildlife, has been administratively transferred to that agency. Funds are provided from the Aquatic Invasive Species Enforcement Account to allow the Patrol to conduct inspections as required by aquatic invasive species and algae legislation passed during the 2005 legislative session. (General Fund-State, Aquatic Invasive Species Enforcement Account-State)

### **Fuel Rate Adjustment**

The Washington State Patrol operates a fleet of 1,500 vehicles that consumes about 150,000 gallons of fuel each month. Within the Field Operations program, the Aviation Section operates and maintains two multi-engine King Air planes and five Cessna aircraft. As fuel prices continue to rise, an increase in the agency's vehicle and aviation fuel budgets is necessary to support current levels of travel miles and enforcement activity. One-time funding is provided for increased costs in Fiscal Year 2006. (General Fund-State, State Patrol Highway Account-State)

### **Other Fund Adjustments**

The 2003-05 transportation budget authorized the Legislative Transportation Committee (LTC) to conduct a cost allocation study of the Washington State Patrol. The objective of the study was to determine whether costs for services provided by the State Patrol should be borne by the transportation budget or the omnibus budget. Funding sources within the Washington State Patrol are adjusted to more accurately reflect the use of transportation and omnibus funding based on this study. (General Fund-State, State Patrol Highway Account-State, Death Investigations Account-State)

### **Equipment Maintenance/Software Licenses**

As a means to support the Washington State Patrol's network infrastructure, the Electronic Services Division utilizes manufacturer-supported maintenance programs to support the agency's core business functions. Aged and obsolete equipment throughout the network are being replaced because they have reached the end of their useful life. This item funds the basic manufacturer maintenance of the newly installed equipment. (General Fund-State, State Patrol Highway Account-State)



Agency 228

**Traffic Safety Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	19.0		21,303	21,303
<b>Supplemental Changes</b>				
School Zone	1.0			
Traffic Records Coordinator	1.0			
Pension Plan 1 Unfunded Liabilities			9	9
Central Service Agency Charges			6	6
<b>Subtotal - Supplemental Changes</b>	2.0		15	15
<b>Total Proposed Budget</b>	21.0		21,318	21,318
Difference	2.0		15	15
Percent Change	10.5%		0.1%	0.1%

**SUPPLEMENTAL CHANGES****School Zone**

In order to address an increased workload, the Washington Traffic Safety Commission is provided a School Zone and Pupil Transportation Safety (SZ&PTS) program manager position. This staff member will manage statewide programs and oversee grants to state and local agencies authorized under the SZ&PTS account. Funding for this position is available either from the state SZ&PTS account or existing federal traffic safety grants.

**Traffic Records Coordinator**

The Commission is provided a state traffic records coordinator position to perform management and administrative responsibilities for new Section 408 federal grants included in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users transportation bill. The Commission's federal funds will pay for this position.

## TRANSPORTATION

Agency 240

### Department of Licensing

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,256.2	3,673	240,404	244,077
<b>Supplemental Changes</b>				
Business Continuity			65	65
Additional Vehicle License Plates			857	857
Legal Costs			555	555
Driver Training Schools Requirements #	3.9		839	839
Business and Professions Division Investigators	1.8	4	333	337
Biometric Security Account #	(7.4)		(2,308)	(2,308)
Staff for Driver License Renewals	1.9		230	230
DOL Services Account				
Internet Self-Help Services		4	344	348
Real Estate Appraisers Education	.6		105	105
SmartBuy		(140)		(140)
Pension Plan 1 Unfunded Liabilities			470	470
Classification Revisions			14	14
Lease Rate Adjustments			281	281
Central Service Agency Charges		4	239	243
Mandatory Workload Adjustments	5.7		1,398	1,398
Contractual Obligation Adjustment			20	20
Transfers		7	(7)	
<b>Subtotal - Supplemental Changes</b>	6.4	(121)	3,435	3,314
<b>Total Proposed Budget</b>	1,262.6	3,552	243,839	247,391
Difference	6.4	(121)	3,435	3,314
Percent Change	0.5%	(3.3)%	1.4%	1.4%

#### SUPPLEMENTAL CHANGES

##### Business Continuity

Funds are provided for the development and operation of an alternative data center to provide back-up capabilities of critical information technology systems in the event of a catastrophic natural or man-made disaster affecting primary facilities. (Highway Safety Fund-State, Motor Vehicle Fund-State)

##### Additional Vehicle License Plates

Funding is required to purchase additional vehicle license plates due to vehicle population growth and other factors, and to pay the increased unit cost of license plates manufactured by the Department of Corrections. (Motor Vehicle Account-State)

### **Legal Costs**

The Vehicle Services Division requires additional services from the Office of the Attorney General for fuel tax and prorate law issues, and for defending the state in several pending fuel tax cases brought by Native American tribal governments in federal court. (Motor Vehicle Account-State)

### **Driver Training Schools Requirements #**

Funding is provided to establish additional requirements for driver training school owners and instructors. These enhanced program requirements will promote public safety by helping ensure the integrity and competencies of school owners and instructors. This item will provide additional resources for initial application reviews and evaluations, periodic review audits, and investigations. (Highway Safety Account-State)

### **Business and Professions Division Investigators**

The Department of Licensing is not in compliance with investigation requirements established by RCW 18.16.175 and agency standards. The department is required to complete all investigations in a timely manner in order to protect public safety, ensure industry compliance with standards, and safeguard the department against liability claims. In order to meet these requirements, the agency is provided funds to hire three additional investigators. (Business and Professions Account-State, Master License Account-State, and Geologists Account-State)

### **Biometric Security Account #**

Passed in the 2004 session, Third Substitute Senate Bill 5412 (Chapter 273, Laws of 2004) authorized voluntary collection of biometric identifiers from applicants for drivers licenses and identicards. This state law appears to be inconsistent with the provisions of the federal Real ID Act passed in 2005. The Department will stop development of the biometric option until such time as federal rules are finalized. Appropriation authority previously granted for this purpose is reverted. (Biometric Security Account-State)

### **Staff for Driver License Renewals**

The 2004 Legislature provided funding to develop and operate Internet and mail-in driver license renewal processes. An Internet renewal option is now available to customers. With passage of the federal Real ID Act in 2005, which will require in-person applications, the Department proposes to stop development of the mail-in option. Funding is provided for staff in licensing service offices to manage license renewal transactions that would have been conducted by mail. (Highway Safety Account-State)

### **DOL Services Account**

Appropriation authority is transferred from the Department of Licensing Services Account to the Highway Safety Fund to better align expenditures with available resources. (DOL Services Account-State, Highway Safety Fund-State)

### **Internet Self-Help Services**

Funding is provided to cover the increased cost of providing contracted self-help services to customers accessing Department of Licensing services via the Internet. (General Fund-State, Master License Account-State, Highway Safety Account-State, Motor Vehicle Account-State, Business and Professions Account-State)

### **Real Estate Appraisers Education**

The Department of Licensing (DOL) is required to comply with the 2008 Real Property Appraiser Qualification Criteria as established by the Appraisal Qualification Board of the Appraisal Foundation. In order to meet this federal mandate, DOL needs additional expenditure authority to hire a project staff person to review core course applications from proprietary schools and institutions of higher learning. (Real Estate Appraisers' Account-State)

### **Lease Rate Adjustments**

Funding is provided for lease cost increases for ten licensing services offices and one Olympia area office building. (Highway Safety Account-State, Motor Vehicle Account-State).

## **TRANSPORTATION**

### **Mandatory Workload Adjustments**

The Department of Licensing is not in compliance with the Federal Intelligence Reform and Terrorism Prevention Act of 2004 requiring background checks for private security guards licensed in Washington as of July 1, 2005. An increase in spending authority will allow the department to be in full compliance with this federal requirement. Also, funding is provided to manage the workload associated with the Motor Carrier Safety Improvement Act of 1999. Recent federal rules require additional information to be collected on driver records and timely sharing of this information with other jurisdictions. (Business and Professions Account-State, Highway Safety Account-State)

### **Contractual Obligation Adjustment**

The Real Estate Commission, chaired by the Director of the Department of Licensing, unanimously approved a contract increase for the Washington Center for Real Estate Research (WCRER). Additional expenditure authority is provided to cover cost increases related to the WCRER contract. This contract is operated through the Washington State University and provides services to real estate licensees, real estate consumers, real estate service providers, institutional customers, public agencies, and communities in Washington State and the Pacific Northwest region. (Real Estate Research Account-State)

### **Transfers**

The cost of rent and related charges are transferred between Department of Licensing divisions, and funds, for staff office space assignments in the Highway-Licenses Building, Black Lake 1 and 3 office buildings, and the Union Gap facility. In addition, funding sources are adjusted for the Business and Professions Division to accurately represent the costs of services provided to direct division program areas. (General Fund-State and various other funds)

Agency 405

## Department of Transportation

## Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	7,053.4	4,611,480	4,611,480
<b>Supplemental Changes</b>			
Local Airport Aid		1,500	1,500
Highway Construction - Improvements		18,806	18,806
Highway Construction - Preservation		(99,606)	(99,606)
Incident Response Improvements	3.8	1,016	1,016
State Route 99-Tukwila Project		557	557
Fund Transfer #		3,700	3,700
Personnel Services Charges		976	976
Reappropriate Capital Projects		68,381	68,381
OMWBE Charges		10	10
State Auditor Charges		9	9
Federal Grants for Ferry Capital Projects		13,623	13,623
State Funded Grant Programs		25,000	25,000
Permit Efficiency Committee Activities		300	300
Federal Grants for Rail Capital Projects		5,894	5,894
Olympic Region Headquarters Building		(265)	(265)
Ferry Vessels		(31,050)	(31,050)
Tacoma Narrows Bridge		1,709	1,709
Website Bandwidth		245	245
Union Gap Disaster Recovery Facility		302	302
Produce Rail Car		(758)	(758)
Pension Plan 1 Unfunded Liabilities		1,976	1,976
Classification Revisions		122	122
Fuel Rate Adjustment		21,909	21,909
Central Service Agency Charges		849	849
Federal Funding Adjustment		1,000	1,000
<b>Subtotal - Supplemental Changes</b>	3.8	36,205	36,205
<b>Total Proposed Budget</b>	7,057.2	4,647,685	4,647,685
Difference	3.8	36,205	36,205
Percent Change	0.1%	0.8%	0.8%

## TRANSPORTATION

*Program B00*

### DOT - Toll Operations and Maintenance

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	10.2	8,615	8,615
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		9	9
<b>Subtotal - Supplemental Changes</b>		9	9
<b>Total Proposed Budget</b>	10.2	8,624	8,624
Difference		9	9
Percent Change	0.0%	0.1%	0.1%

Program C00

**DOT - Information Technology****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	227.3	66,835	66,835
<b>Supplemental Changes</b>			
Incident Response Improvements		33	33
Website Bandwidth		245	245
Union Gap Disaster Recovery Facility		302	302
Pension Plan 1 Unfunded Liabilities		123	123
<b>Subtotal - Supplemental Changes</b>		703	703
<b>Total Proposed Budget</b>	227.3	67,538	67,538
Difference		703	703
Percent Change	0.0%	1.1%	1.1%

**SUPPLEMENTAL CHANGES****Incident Response Improvements**

Additional funding will be used to expand coverage and to increase the availability of incident response patrols in areas currently covered. New coverage will be provided on I-5 in the vicinity of Federal Way, SR 18 from I-5 to Auburn, and SR 2 east of Everett. Coverage will be expanded by adding a vehicle for the I-5 express lanes in Seattle, providing weekend coverage on the general purpose lanes in Seattle, and adding an additional patrol on I-405. Funding is also provided for five new incident response vehicles. (Motor Vehicle Account-State)

**Website Bandwidth**

Additional funding is provided for increased bandwidth needs during peak periods of use. (Motor Vehicle Account-State)

**Union Gap Disaster Recovery Facility**

Funding is provided for a shared self-service disaster recovery facility in Union Gap. (Motor Vehicle Account-State)

## TRANSPORTATION

Program D00

### DOT - Facility Maintenance, Operations and Construction - Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	94.4	33,499	33,499
<b>Supplemental Changes</b>			
Incident Response Improvements		40	40
Pension Plan 1 Unfunded Liabilities		37	37
Classification Revisions		21	21
Fuel Rate Adjustment		43	43
<b>Subtotal - Supplemental Changes</b>		141	141
<b>Total Proposed Budget</b>	94.4	33,640	33,640
Difference		141	141
Percent Change	0.0%	0.4%	0.4%

#### SUPPLEMENTAL CHANGES

##### Incident Response Improvements

Additional funding will be used to expand coverage and to increase the availability of patrols in areas currently covered. New coverage will be provided on I-5 in the vicinity of Federal Way, SR 18 from I-5 to Auburn, and SR 2 east of Everett. Coverage will be expanded by adding a vehicle for the I-5 express lanes in Seattle, providing weekend coverage on the general purpose lanes in Seattle, and adding a patrol on I-405. Funding is also provided for five new incident response vehicles. (Motor Vehicle Account-State)

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)



Program D0C

**DOT - Facility Maintenance, Operations, and Construction-Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	4.6	2,492	2,492
<b>Supplemental Changes</b>			
Reappropriate Capital Projects		101	101
Olympic Region Headquarters Building		(265)	(265)
<b>Subtotal - Supplemental Changes</b>		(164)	(164)
<b>Total Proposed Budget</b>	4.6	2,328	2,328
Difference		(164)	(164)
Percent Change	0.0%	(6.6)%	(6.6)%

**SUPPLEMENTAL CHANGES****Reappropriate Capital Projects**

Reappropriated funding is adjusted to reflect actual expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium for the Northwest Region maintenance facility and the Ephrata Area maintenance facility. (Motor Vehicle Account-State)

**Olympic Region Headquarters Building**

This appropriation funds debt service payments for certificates of participation issued to finance the new Olympic Region headquarters facility. Actual 2005-07 payments will be \$265,000 less than assumed in the enacted 2005-07 transportation budget. (Motor Vehicle Account-State)

## TRANSPORTATION

Program E00

### DOT - Transportation Equipment Fund

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	204.0	99,655	99,655
<b>Supplemental Changes</b>			
Incident Response Improvements		123	123
Pension Plan 1 Unfunded Liabilities		82	82
Classification Revisions		101	101
Fuel Rate Adjustment		5,074	5,074
<b>Subtotal - Supplemental Changes</b>		5,380	5,380
<b>Total Proposed Budget</b>	204.0	105,035	105,035
Difference		5,380	5,380
Percent Change	0.0%	5.4%	5.4%

#### SUPPLEMENTAL CHANGES

##### Incident Response Improvements

Additional funding will be used to expand coverage and to increase the availability of patrols in areas currently covered. New coverage will be provided on I-5 in the vicinity of Federal Way, SR 18 from I-5 to Auburn, and SR 2 east of Everett. Coverage will be expanded by adding a vehicle for the I-5 express lanes in Seattle, providing weekend coverage on the general purpose lanes in Seattle, and adding an additional patrol on I-405. Funding is also provided for five new incident response vehicles. (Motor Vehicle Account-State)

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Transportation Equipment Account-Nonappropriated)

Program F00

**DOT - Aviation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	10.8	8,782	8,782
<b>Supplemental Changes</b>			
Local Airport Aid		1,500	1,500
Pension Plan 1 Unfunded Liabilities		5	5
<b>Subtotal - Supplemental Changes</b>		1,505	1,505
<b>Total Proposed Budget</b>	10.8	10,287	10,287
Difference		1,505	1,505
Percent Change	0.0%	17.1%	17.1%

**SUPPLEMENTAL CHANGES****Local Airport Aid**

Funding is provided for additional state grants for the preservation of local public use airports. (Aeronautics Account-State)

## TRANSPORTATION

Program H00

### DOT - Program Delivery Management and Support

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	260.6	49,711	49,711
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		146	146
Fuel Rate Adjustment		21	21
<b>Subtotal - Supplemental Changes</b>		167	167
<b>Total Proposed Budget</b>	260.6	49,878	49,878
Difference		167	167
Percent Change	0.0%	0.3%	0.3%

#### SUPPLEMENTAL CHANGES

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

Program 11C

**DOT - Improvements - Mobility****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,060.0	1,688,325	1,688,325
<b>Supplemental Changes</b>			
Highway Construction - Improvements		15,187	15,187
Reappropriate Capital Projects		39,983	39,983
Fuel Rate Adjustment		154	154
<b>Subtotal - Supplemental Changes</b>		55,324	55,324
<b>Total Proposed Budget</b>	1,060.0	1,743,649	1,743,649
Difference		55,324	55,324
Percent Change	0.0%	3.3%	3.3%

**SUPPLEMENTAL CHANGES****Highway Construction - Improvements**

The appropriation authority for the improvement program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Transportation Partnership Account-State, Transportation Partnership Account-Bonded, Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Motor Vehicle Account-Bonded, Transportation 2003 Account (Nickel)-Bonded)

**Reappropriate Capital Projects**

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account-State, Transportation 2003 Account (Nickel)-State)

**Fuel Rate Adjustment**

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

## TRANSPORTATION

Program I2C

### DOT - Improvements - Safety

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	215.2	206,084	206,084
<b>Supplemental Changes</b>			
Highway Construction - Improvements		(14,921)	(14,921)
Reappropriate Capital Projects		6,989	6,989
Fuel Rate Adjustment		62	62
<b>Subtotal - Supplemental Changes</b>		(7,870)	(7,870)
<b>Total Proposed Budget</b>	215.2	198,214	198,214
Difference		(7,870)	(7,870)
Percent Change	0.0%	(3.8)%	(3.8)%

#### SUPPLEMENTAL CHANGES

##### Highway Construction - Improvements

The appropriation authority for the improvement program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Transportation Partnership Account-State, Transportation Partnership Account-Bonded, Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Transportation 2003 Account (Nickel)-State, Multimodal Transportation Account-State)

##### Reappropriate Capital Projects

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account-State, Transportation 2003 Account (Nickel)-State)

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

Program I3C

**DOT - Improvements - Economic Initiatives****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	79.0	96,440	96,440
<b>Supplemental Changes</b>			
Highway Construction - Improvements		19,110	19,110
Reappropriate Capital Projects		9,061	9,061
Fuel Rate Adjustment		31	31
<b>Subtotal - Supplemental Changes</b>		28,202	28,202
<b>Total Proposed Budget</b>	79.0	124,642	124,642
Difference		28,202	28,202
Percent Change	0.0%	29.2%	29.2%

**SUPPLEMENTAL CHANGES****Highway Construction - Improvements**

The appropriation authority for the improvement program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Transportation Partnership Account-State, Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Transportation 2003 Account (Nickel)-State, Multimodal Transportation Account-State, Special Category C Account-State)

**Reappropriate Capital Projects**

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account- State, Transportation 2003 Account (Nickel)-State)

**Fuel Rate Adjustment**

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

## TRANSPORTATION

Program 14C

### DOT - Improvements - Environmental Retrofit

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	47.0	39,648	39,648
<b>Supplemental Changes</b>			
Highway Construction - Improvements		(570)	(570)
Reappropriate Capital Projects		4,677	4,677
Fuel Rate Adjustment		4	4
<b>Subtotal - Supplemental Changes</b>		4,111	4,111
<b>Total Proposed Budget</b>	47.0	43,759	43,759
Difference		4,111	4,111
Percent Change	0.0%	10.4%	10.4%

#### SUPPLEMENTAL CHANGES

##### Highway Construction - Improvements

The appropriation authority for the improvement program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Transportation Partnership Account-State, Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Transportation 2003 Account (Nickel)-State)

##### Reappropriate Capital Projects

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account-State, Transportation 2003 Account (Nickel)-State)

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)



Program I7C

**DOT - SR 16 Tacoma Narrows Bridge Project****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	40.0	272,329	272,329
<b>Supplemental Changes</b>			
Tacoma Narrows Bridge		1,709	1,709
<b>Subtotal - Supplemental Changes</b>		1,709	1,709
<b>Total Proposed Budget</b>	40.0	274,038	274,038
Difference		1,709	1,709
Percent Change	0.0%	0.6%	0.6%

**SUPPLEMENTAL CHANGES****Tacoma Narrows Bridge**

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium.  
(Tacoma Narrows Bridge Toll Account-State)

## TRANSPORTATION

Program K00

### DOT - Transportation Economic Partnerships Program-Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	5.7	1,068	1,068
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		4	4
<b>Subtotal - Supplemental Changes</b>		4	4
<b>Total Proposed Budget</b>	5.7	1,072	1,072
Difference		4	4
Percent Change	0.0%	0.4%	0.4%

Program M00

**DOT - Highway Maintenance and Operations****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,454.7	302,389	302,389
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		538	538
Fuel Rate Adjustment		2,207	2,207
<b>Subtotal - Supplemental Changes</b>		2,745	2,745
<b>Total Proposed Budget</b>	1,454.7	305,134	305,134
Difference		2,745	2,745
Percent Change	0.0%	0.9%	0.9%

**SUPPLEMENTAL CHANGES****Fuel Rate Adjustment**

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

## TRANSPORTATION

Program P1C

### DOT - Preservation - Roadway

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	371.0	240,076	240,076
<b>Supplemental Changes</b>			
Highway Construction - Preservation		(5,741)	(5,741)
Reappropriate Capital Projects		5,917	5,917
Fuel Rate Adjustment		213	213
<b>Subtotal - Supplemental Changes</b>		389	389
<b>Total Proposed Budget</b>	371.0	240,465	240,465
Difference		389	389
Percent Change	0.0%	0.2%	0.2%

#### SUPPLEMENTAL CHANGES

##### Highway Construction - Preservation

The appropriation authority for the preservation program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Transportation 2003 Account (Nickel)-State)

##### Reappropriate Capital Projects

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account-State, Transportation 2003 Account (Nickel)-State)

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

Program P2C

**DOT - Preservation - Structures****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	280.0	343,736	343,736
<b>Supplemental Changes</b>			
Highway Construction - Preservation		(107,799)	(107,799)
Reappropriate Capital Projects		3,423	3,423
Fuel Rate Adjustment		120	120
<b>Subtotal - Supplemental Changes</b>		(104,256)	(104,256)
<b>Total Proposed Budget</b>	280.0	239,480	239,480
Difference		(104,256)	(104,256)
Percent Change	0.0%	(30.3)%	(30.3)%

**SUPPLEMENTAL CHANGES****Highway Construction - Preservation**

The appropriation authority for the preservation program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Motor Vehicle Account-State, Motor Vehicle Account-Bonded, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Transportation Partnership Account-State)

**Reappropriate Capital Projects**

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account-State)

**Fuel Rate Adjustment**

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

## TRANSPORTATION

Program P3C

### DOT - Preservation - Other Facilities

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	174.0	65,183	65,183
<b>Supplemental Changes</b>			
Highway Construction - Preservation		13,934	13,934
Reappropriate Capital Projects		2,624	2,624
Fuel Rate Adjustment		68	68
<b>Subtotal - Supplemental Changes</b>		16,626	16,626
<b>Total Proposed Budget</b>	174.0	81,809	81,809
Difference		16,626	16,626
Percent Change	0.0%	25.5%	25.5%

#### SUPPLEMENTAL CHANGES

##### Highway Construction - Preservation

The appropriation authority for the preservation program is adjusted to reflect the updated project-aging plan, and authorizes the Department to expend additional federal funds. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Motor Vehicle Account-Private/Local, Transportation Partnership Account-State)

##### Reappropriate Capital Projects

Reappropriations are made for expenditures moved from the 2003-05 Biennium to the 2005-07 Biennium. (Motor Vehicle Account-State)

##### Fuel Rate Adjustment

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

Program Q00

**DOT - Traffic Operations-Operating****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	244.6	44,989	44,989
<b>Supplemental Changes</b>			
Incident Response Improvements	3.8	820	820
Pension Plan 1 Unfunded Liabilities		111	111
Fuel Rate Adjustment		105	105
<b>Subtotal - Supplemental Changes</b>	3.8	1,036	1,036
<b>Total Proposed Budget</b>	248.4	46,025	46,025
Difference	3.8	1,036	1,036
Percent Change	1.5%	2.3%	2.3%

**SUPPLEMENTAL CHANGES****Incident Response Improvements**

Additional funding will be used to expand coverage and to increase the amount of time patrols are available in areas currently covered. New coverage will be provided on I-5 in the vicinity of Federal Way, SR 18 from I-5 to Auburn, and SR 2 east of Everett. Coverage will be expanded by adding a vehicle for the I-5 express lanes in Seattle, providing weekend coverage on the general purpose lanes in Seattle, and adding an additional patrol on I-405. Funding is also provided for five new incident response vehicles. (Motor Vehicle Account-State)

**Fuel Rate Adjustment**

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

## TRANSPORTATION

Program S00

### DOT - Transportation Management and Support

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	169.1	27,933	27,933
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		82	82
<b>Subtotal - Supplemental Changes</b>		82	82
<b>Total Proposed Budget</b>	169.1	28,015	28,015
Difference		82	82
Percent Change	0.0%	0.3%	0.3%



Program T00

**DOT - Transportation Planning, Data and Research****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	195.0	45,442	45,442
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		102	102
Fuel Rate Adjustment		17	17
<b>Subtotal - Supplemental Changes</b>		119	119
<b>Total Proposed Budget</b>	195.0	45,561	45,561
Difference		119	119
Percent Change	0.0%	0.3%	0.3%

**SUPPLEMENTAL CHANGES****Fuel Rate Adjustment**

Funding is provided for one year of increased fuel costs associated with vehicles and equipment rented from the Department's Operations Transportation Equipment Fund. (Motor Vehicle Account-State)

## TRANSPORTATION

Program U00

### DOT - Charges From Other Agencies

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>		45,430	45,430
<b>Supplemental Changes</b>			
Personnel Services Charges		976	976
OMWBE Charges		10	10
State Auditor Charges		9	9
Central Service Agency Charges		849	849
<b>Subtotal - Supplemental Changes</b>		1,844	1,844
<b>Total Proposed Budget</b>		47,274	47,274
Difference		1,844	1,844
Percent Change		4.1%	4.1%

#### SUPPLEMENTAL CHANGES

##### Personnel Services Charges

Funding is provided to pay for updated Department of Personnel service charges. (Motor Vehicle Account-State)

##### OMWBE Charges

Funding is provided for services performed by the Office of Minority and Women's Business Enterprises (OMWBE). (Motor Vehicle Account-State)

##### State Auditor Charges

Funding is provided for State Auditor's Office services. (Motor Vehicle Account-State)

Program V00

**DOT - Public Transportation****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	29.3	65,027	65,027
<b>Supplemental Changes</b>			
State Funded Grant Programs		20,000	20,000
Pension Plan 1 Unfunded Liabilities		14	14
<b>Subtotal - Supplemental Changes</b>		20,014	20,014
<b>Total Proposed Budget</b>	29.3	85,041	85,041
Difference		20,014	20,014
Percent Change	0.0%	30.8%	30.8%

**SUPPLEMENTAL CHANGES****State Funded Grant Programs**

Funding is provided for the regional mobility grant program authorized by the 2005 Legislature. This program provides inter-county connectivity service, park and ride lots, rush hour transit service, and capital projects that improve the connectivity and efficiency of the state's transportation system. (Multimodal Transportation Account-State)

## TRANSPORTATION

Program W0C

### DOT - Washington State Ferries - Capital

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	160.1	261,413	261,413
<b>Supplemental Changes</b>			
Federal Grants for Ferry Capital Projects		13,623	13,623
Ferry Vessels		(31,050)	(31,050)
<b>Subtotal - Supplemental Changes</b>		(17,427)	(17,427)
<b>Total Proposed Budget</b>	160.1	243,986	243,986
Difference		(17,427)	(17,427)
Percent Change	0.0%	(6.7)%	(6.7)%

#### SUPPLEMENTAL CHANGES

##### Federal Grants for Ferry Capital Projects

Authority to use federal grant funding is provided for the Bainbridge Island Trestle Improvement and Terminal Preservation Projects, Mukilteo Multimodal Terminal Project, Seattle Terminal Preservation Project, Southworth 2nd Slip Project, and system-wide terminal and vessel physical security infrastructure projects. (Puget Sound Capital Construction Account-Federal)

##### Ferry Vessels

The reduction in expenditure authority for the 2005-07 program reflects delays in the vessel procurement program. The Marine Division estimates that the expenditures for the shipyard contracts will not begin until the 2007-09 Biennium. (Puget Sound Capital Construction Program-Bonded)

Program X00

**DOT - Washington State Ferries****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,631.0	354,114	354,114
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		689	689
Fuel Rate Adjustment		13,790	13,790
<b>Subtotal - Supplemental Changes</b>		14,479	14,479
<b>Total Proposed Budget</b>	1,631.0	368,593	368,593
Difference		14,479	14,479
Percent Change	0.0%	4.1%	4.1%

**SUPPLEMENTAL CHANGES****Fuel Rate Adjustment**

The 2005-07 budgeted fuel consumption for ferry vessels is estimated to be 35.4 million gallons, excluding a 10 percent built-in contingency amount. The November revenue forecast assumed an average biennial cost of \$2.02 per gallon of diesel, including taxes and fees. Funding is provided for the difference between the existing appropriation and the forecasted fuel cost. Funding is provided for both years of the biennium. (Puget Sound Ferries Operations Account-State)

## TRANSPORTATION

Program Y00

### DOT - Rail - Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	11.3	36,420	36,420
<b>Supplemental Changes</b>			
Produce Rail Car		(160)	(160)
Pension Plan 1 Unfunded Liabilities		6	6
<b>Subtotal - Supplemental Changes</b>		(154)	(154)
<b>Total Proposed Budget</b>	11.3	36,266	36,266
Difference		(154)	(154)
Percent Change	0.0%	(0.4)%	(0.4)%

#### SUPPLEMENTAL CHANGES

##### Produce Rail Car

Funding is reduced to reflect anticipated expenditures. (Multimodal Transportation Account-State)

Program Y0C

**DOT - Rail - Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	9.9	87,661	87,661
<b>Supplemental Changes</b>			
Reappropriate Capital Projects		688	688
Federal Grants for Rail Capital Projects		5,894	5,894
Produce Rail Car		(598)	(598)
<b>Subtotal - Supplemental Changes</b>		5,984	5,984
<b>Total Proposed Budget</b>	9.9	93,645	93,645
Difference		5,984	5,984
Percent Change	0.0%	6.8%	6.8%

**SUPPLEMENTAL CHANGES****Reappropriate Capital Projects**

The appropriation is adjusted to reflect expenditure authority moved from the 2003-05 Biennium to the 2005-07 Biennium. Engineering did not progress as fast as expected for the Vancouver Yard project and the PA Junction to Delta Junction project. (Multimodal Transportation Account-State)

**Federal Grants for Rail Capital Projects**

Federal funding authority is provided for the Tacoma Rail Train to the Mountain, the Morton Business Development Park, the Short Haul Intermodal Pilot Project, and to begin operation of a pool of refrigerated rail cars. (Multimodal Transportation Account-Federal)

**Produce Rail Car**

Funding is reduced to reflect anticipated expenditures. (Multimodal Transportation Account-Federal)

## TRANSPORTATION

Program Z00

### DOT - Local Programs - Operating

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	46.0	10,755	10,755
<b>Supplemental Changes</b>			
Permit Efficiency Committee Activities		300	300
Pension Plan 1 Unfunded Liabilities		28	28
<b>Subtotal - Supplemental Changes</b>		328	328
<b>Total Proposed Budget</b>	46.0	11,083	11,083
Difference		328	328
Percent Change	0.0%	3.0%	3.0%

#### SUPPLEMENTAL CHANGES

##### Permit Efficiency Committee Activities

Additional funding is provided to support the "single counter approach" for environmental permitting, to support the online Joint Aquatic Resource Permits Application, and to form multi-agency environmental teams. (Motor Vehicle Account-State)



Program Z0C

**DOT - Local Programs - Capital****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>		74,734	74,734
<b>Supplemental Changes</b>			
State Route 99-Tukwila Project		557	557
Fund Transfer #		3,700	3,700
Reappropriate Capital Projects		(5,082)	(5,082)
State Funded Grant Programs		5,000	5,000
Federal Funding Adjustment		1,000	1,000
<b>Subtotal - Supplemental Changes</b>		5,175	5,175
<b>Total Proposed Budget</b>		79,909	79,909
Difference		5,175	5,175
Percent Change		6.9%	6.9%

**SUPPLEMENTAL CHANGES****State Route 99-Tukwila Project**

This project was inadvertently excluded from the Transportation Executive Information System project list. (Transportation 2003 Account (Nickel)-State)

**Fund Transfer #**

Expenditure authority is transferred from the Freight Mobility Investment Account to the Freight Mobility Multimodal Account, a new account created in agency request legislation. An additional \$3,700,000 in funds received from the Union Pacific Railroad is provided for rail work on state-funded freight projects. (Freight Mobility Investment Account-State, Freight Mobility Multimodal Account-State)

**Reappropriate Capital Projects**

Reappropriated funding is reduced to reflect actual expenditures in the 2003-05 Biennium for School Safety Enhancements, Safe Routes to Schools, and Columbia River Dredging. (Motor Vehicle Account-State, Motor Vehicle Account-Federal, Multimodal Transportation Account-State)

**State Funded Grant Programs**

Funding in the amount of \$5 million is provided for the highest priority pedestrian safety projects such as Safe Routes to Schools and transit, bicycle, and pedestrian path projects. (Multimodal Transportation Account-State)

**Federal Funding Adjustment**

Federal expenditure authority for the Department's Local Programs Division is increased to allow federal funds to be used in the preservation or improvement program instead of state funds. (Motor Vehicle Account-Federal)

## TRANSPORTATION

Agency 406

### County Road Administration Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	16.2		102,220	102,220
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			10	10
Technical Corrections				
Central Service Agency Charges			3	3
Other Fund Adjustments			(695)	(695)
<b>Subtotal - Supplemental Changes</b>			(682)	(682)
<b>Total Proposed Budget</b>	16.2		101,538	101,538
Difference			(682)	(682)
Percent Change	0.0%		(0.7)%	(0.7)%

#### SUPPLEMENTAL CHANGES

##### Technical Corrections

The 2005 Legislature provided \$3 million in new transportation revenues for capital projects funded by the Rural Arterial Trust Account. Funding is transferred to the County Arterial Preservation Account to support counties in meeting pavement management requirements. (Rural Arterial Trust Account, County Arterial Preservation Account-State)

##### Other Fund Adjustments

The County Arterial Preservation Account appropriation is reduced by \$695,000 to ensure expenditures remain within available revenues. (County Arterial Preservation Account-State)

Agency 407

**Transportation Improvement Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	15.9	208,275	208,275
<b>Supplemental Changes</b>			
Fund Balance Adjustment		(9,200)	(9,200)
Pension Plan 1 Unfunded Liabilities		10	10
Central Service Agency Charges		3	3
Other Fund Adjustments		2,000	2,000
<b>Subtotal - Supplemental Changes</b>		(7,187)	(7,187)
<b>Total Proposed Budget</b>	15.9	201,088	201,088
Difference		(7,187)	(7,187)
Percent Change	0.0%	(3.5)%	(3.5)%

**SUPPLEMENTAL CHANGES****Fund Balance Adjustment**

The Transportation Improvement Account is reduced by \$9.2 million to ensure that expenditures remain within available revenues. (Transportation Improvement Account-State)

**Other Fund Adjustments**

The Urban Arterial Trust Account has sufficient fund balance to increase expenditure authority for additional road projects. (Urban Arterial Trust Account-State)

## TRANSPORTATION

Agency 408

### Marine Employees' Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.3		390	390
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			1	1
Other Rate Adjustments			2	2
Central Service Agency Charges			1	1
<b>Subtotal - Supplemental Changes</b>			4	4
<b>Total Proposed Budget</b>	2.3		394	394
Difference			4	4
Percent Change	0.0%		1.0%	1.0%

#### SUPPLEMENTAL CHANGES

##### Other Rate Adjustments

Funding is provided to pay for updated Department of Personnel service charges. (Puget Sound Ferry Operations Account-State)

Agency 410

**Transportation Commission****Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	9.5	5,757	5,757
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		1	1
Central Service Agency Charges		2	2
<b>Subtotal - Supplemental Changes</b>		3	3
<b>Total Proposed Budget</b>	9.5	5,760	5,760
Difference		3	3
Percent Change	0.0%	0.1%	0.1%

## TRANSPORTATION

Agency 411

### Freight Mobility Strategic Investment Board

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	2.0	664	664
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liabilities		1	1
Central Service Agency Charges		1	1
<b>Subtotal - Supplemental Changes</b>		2	2
<b>Total Proposed Budget</b>	2.0	666	666
Difference		2	2
Percent Change	0.0%	0.3%	0.3%

# KINDERGARTEN THROUGH GRADE 12 EDUCATION

Agency 350

## Superintendent of Public Instruction

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	280.6	10,914,763	2,103,161	13,017,924
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liability			35,179	35,179
Health Benefit Changes		2,582		2,582
Transportation Emergency Assistance		5,517		5,517
Utility Costs Emergency Assistance		6,500		6,500
Pre-Apprenticeship Program Grants #		100		100
Move Early Reading Grant Program to Early Learning Agency		(125)		(125)
Alternative for English Learners		100		100
Math Remediation		3,390		3,390
Promoting Academic Success		38,510		38,510
Pension Rate Correction		(2,150)		(2,150)
Navigation 101		410		410
Student Data System		2,896		2,896
Assessment Funding Adjustments		5,074		5,074
Special Education Lawsuit		1,099		1,099
SmartBuy		(542)		(542)
Pension Plan 1 Unfunded Liabilities			165	165
Central Service Agency Charges		71		71
Enrollment/Workload Adjustment, SPI		40,698	1,070	41,768
Initiative 732 COLA		31,267	103	31,370
Federal Funding Adjustment			53,604	53,604
K-12 Inflation		14,583	13	14,596
Levy Equalization Update-SPI only		2,905		2,905
<b>Subtotal - Supplemental Changes</b>		152,885	90,134	243,019
<b>Total Proposed Budget</b>	280.6	11,067,648	2,193,295	13,260,943
Difference		152,885	90,134	243,019
Percent Change	0.0%	1.4%	4.3%	1.9%

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 010

### SPI - Office of the Superintendent of Public Instruction

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	240.2	46,163	79,965	126,128
<b>Supplemental Changes</b>				
Utility Costs Emergency Assistance		6,500		6,500
Pre-Apprenticeship Program Grants #		100		100
Navigation 101		410		410
Student Data System		2,896		2,896
Special Education Lawsuit		1,099		1,099
SmartBuy		(542)		(542)
Pension Plan 1 Unfunded Liabilities			133	133
Central Service Agency Charges		71		71
Federal Funding Adjustment			3,186	3,186
<b>Subtotal - Supplemental Changes</b>		10,534	3,319	13,853
<b>Total Proposed Budget</b>	240.2	56,697	83,284	139,981
Difference		10,534	3,319	13,853
Percent Change	0.0%	22.8%	4.2%	11.0%

#### SUPPLEMENTAL CHANGES

##### Utility Costs Emergency Assistance

School districts receive allocations from the state for non-employee related costs through the general apportionment formula. The formula used to calculate these allocations is responsive to district enrollment changes and to inflation as measured by the U.S. Implicit Price Deflator. While enrollment changes are immediately recognized by the funding formula, allocation increases resulting from changes in inflation assumptions are delayed by one year. Recent increases in natural gas and heating oil rates have strained district budgets in the current school year. One-time grants will help districts manage these increases.

##### Pre-Apprenticeship Program Grants #

The building trades and crafts offer opportunities for students with strong math and science skills. To help prepare students for apprenticeships and other work opportunities after graduation, school districts may apply for \$10,000 grants to develop pre-apprenticeship programs. Districts will use the grants to support program design, negotiate school/business/labor agreements, and recruit high school students for pre-apprenticeship programs in the building trades and crafts. Students will participate in these programs in various settings, including high schools, skills centers, or at community and technical colleges through Running Start programs, and will gain on-the-job experience at work sites.

##### Navigation 101

Many students see no connection between their high school work and careers that they may pursue when they graduate. To help students set goals, take courses that will further their goals, and learn where their skills lie, the Navigation 101 curriculum will be disseminated to all districts. In addition, electronic student planning tools will be developed and disseminated to districts, and the impact of Navigation 101 on student performance will be analyzed.



### **Student Data System**

A statewide database of longitudinal student information will be created. The database will provide a central repository for student achievement and demographic information; allow teachers to review and track individual student achievement over time on state-standardized and classroom-based assessments by specific content strands; and provide a way to develop, track, and transfer student learning plans. The Office of the Superintendent of Public Instruction (OSPI) will be required to meet stringent planning requirements that meet the approval of the Department of Information Services prior to beginning this project.

### **Special Education Lawsuit**

Twelve school districts have filed a lawsuit in Thurston County Superior Court claiming that the state has underfunded special education based on an unconstitutional funding system. This lawsuit will require additional services from the Attorney General's Office, the costs of which will be billed to OSPI. Although the presiding judge has recently granted a conditional stay, the Attorney General's Office continues to incur costs and bill the Office of Superintendent of Public Instruction.

### **Federal Funding Adjustment**

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. (General Fund-Federal)

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 021

### SPI - General Apportionment

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	8,423,967		8,423,967
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		28,422	28,422
Pension Rate Correction	(914)		(914)
Enrollment/Workload Adjustment, SPI	36,336		36,336
K-12 Inflation	11,557		11,557
<b>Subtotal - Supplemental Changes</b>	46,979	28,422	75,401
<b>Total Proposed Budget</b>	8,470,946	28,422	8,499,368
Difference	46,979	28,422	75,401
Percent Change	0.6%	100.0%	0.9%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

##### Enrollment/Workload Adjustment, SPI

Public school enrollment growth is higher than anticipated by 2,670 full time equivalent students in the 2005-06 school year (from 969,234 to 971,904) and by 5,773 full time equivalent students in the 2006-07 school year (from 972,226 to 977,999). This requires a \$36.6 million increase in funding for the General Apportionment activity this biennium.

##### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.

# KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 022

## SPI - Pupil Transportation

### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	490,745		490,745
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		713	713
Transportation Emergency Assistance	5,517		5,517
Pension Rate Correction	(1,122)		(1,122)
Enrollment/Workload Adjustment, SPI	898		898
K-12 Inflation	1,557		1,557
<b>Subtotal - Supplemental Changes</b>	6,850	713	7,563
<b>Total Proposed Budget</b>	497,595	713	498,308
Difference	6,850	713	7,563
Percent Change	1.4%	100.0%	1.5%

### SUPPLEMENTAL CHANGES

#### Transportation Emergency Assistance

State allocations to school districts for student transportation include funding for non-employee related costs. Although the formula used to calculate these allocations is responsive to changes in inflation as measured by the U.S. Implicit Price Deflator, the changes are delayed by one year. Recent increases in the price of diesel fuel have strained district budgets in the current school year. A one-time increase in the student transportation funding rate will help districts manage these increases.

#### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in a decrease in state funding for the 2005-06 and 2006-07 school years in the Student Transportation Program.

#### Enrollment/Workload Adjustment, SPI

School districts are reimbursed for pupil transportation based on eligible miles traveled transporting students to and from school. The reimbursable mileage is 8,203 miles higher than assumed in the original budget for the 2005-06 school year (from 4,917,686 to 4,925,889) and 20,781 miles higher in the 2006-07 school year (from 4,930,418 to 4,951,199).

#### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 025

### SPI - School Food Services

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>		6,306	397,260	403,566
<b>Supplemental Changes</b>				
Federal Funding Adjustment			14,660	14,660
<b>Subtotal - Supplemental Changes</b>			14,660	14,660
<b>Total Proposed Budget</b>		6,306	411,920	418,226
Difference			14,660	14,660
Percent Change		0.0%	3.7%	3.6%

#### SUPPLEMENTAL CHANGES

##### Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for school food services. School food services are funded by both state and federal funds to provide free or reduced-price school lunches and breakfasts to eligible children. (General Fund-Federal)

# KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 026

## SPI - Special Education

### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1.5	931,993	435,464	1,367,457
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liability			3,257	3,257
Pension Rate Correction		(134)	(1)	(135)
Enrollment/Workload Adjustment, SPI		11,430	155	11,585
K-12 Inflation		1,228	13	1,241
<b>Subtotal - Supplemental Changes</b>		12,524	3,424	15,948
<b>Total Proposed Budget</b>	1.5	944,517	438,888	1,383,405
Difference		12,524	3,424	15,948
Percent Change	0.0%	1.3%	0.8%	1.2%

### SUPPLEMENTAL CHANGES

#### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year. (General Fund-State, General Fund-Federal)

#### Enrollment/Workload Adjustment, SPI

Enrollment in special education programs is higher than anticipated in the biennial budget by 904 students in the 2005-06 school year (from 120,750 to 121,654) and by 1,282 students in the 2006-07 school year (from 121,643 to 122,925). This item increases the amount needed for special education. (General Fund-State, General Fund-Federal)

#### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year. (General Fund-State, General Fund-Federal)

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 028

### SPI - Educational Service Districts

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	7,418		7,418
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		28	28
Pension Rate Correction	(16)		(16)
<b>Subtotal - Supplemental Changes</b>	(16)	28	12
<b>Total Proposed Budget</b>	7,402	28	7,430
Difference	(16)	28	12
Percent Change	(0.2)%	100.0%	0.2%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in a decrease in state funding for the 2005-06 and 2006-07 school years for educational service districts.

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 029

### SPI - Levy Equalization

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	357,167		357,167
<b>Supplemental Changes</b>			
Enrollment/Workload Adjustment, SPI	(1,852)		(1,852)
Levy Equalization Update-SPI only	2,905		2,905
<b>Subtotal - Supplemental Changes</b>	1,053		1,053
<b>Total Proposed Budget</b>	358,220		358,220
Difference	1,053		1,053
Percent Change	0.3%		0.3%

#### SUPPLEMENTAL CHANGES

##### Enrollment/Workload Adjustment, SPI

Lower than expected assessed property values and local levy bases have decreased the amounts needed for local effort assistance.

##### Levy Equalization Update-SPI only

The decrease in expected assessed property values is offset by a higher than anticipated per pupil inflator, which is a measure of the change in per student state expenditures from year to year. The per pupil inflator has increased from 3.4 percent in the original budget to 5.2 percent, due to higher compensation adjustments, resulting in increased allocations to districts.

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 035

### SPI - Institutional Education

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	38,757		38,757
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		28	28
Pension Rate Correction	18		18
Enrollment/Workload Adjustment, SPI	(2,379)		(2,379)
K-12 Inflation	12		12
<b>Subtotal - Supplemental Changes</b>	(2,349)	28	(2,321)
<b>Total Proposed Budget</b>	36,408	28	36,436
Difference	(2,349)	28	(2,321)
Percent Change	(6.1)%	100.0%	(6.0)%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

##### Enrollment/Workload Adjustment, SPI

Total institutional enrollment is lower than anticipated in the original budget, decreasing by 91 in the 2005-06 school year (from 1,915 to 1,824) and by 83 in the 2006-07 school year (from 1,899 to 1,816).

##### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.



## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 045

### SPI - Education of Highly Capable Students

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	13,786		13,786
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		44	44
Pension Rate Correction	7		7
Enrollment/Workload Adjustment, SPI	58		58
<b>Subtotal - Supplemental Changes</b>	65	44	109
<b>Total Proposed Budget</b>	13,851	44	13,895
Difference	65	44	109
Percent Change	0.5%	100.0%	0.8%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

##### Enrollment/Workload Adjustment, SPI

Funding for highly capable student education is provided for up to 2 percent of each district's K-12 enrollment. To account for the higher than expected K-12 enrollment, funding for the gifted program is increased.

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 050

### SPI - Student Achievement Program

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>		629,356	629,356
<b>Supplemental Changes</b>			
Enrollment/Workload Adjustment, SPI		911	911
<b>Subtotal - Supplemental Changes</b>		911	911
<b>Total Proposed Budget</b>		630,267	630,267
Difference		911	911
Percent Change		0.1%	0.1%

#### SUPPLEMENTAL CHANGES

##### Enrollment/Workload Adjustment, SPI

The Student Achievement Account provides funding to school districts based on prior school year FTE students in the district. Enrollments in the 2004-05 and 2005-06 school years are higher than expected in the original biennial budget. (Student Achievement Account-State)

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 055

### SPI - Education Reform

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	38.9	83,503	124,305	207,808
<b>Supplemental Changes</b>				
Move Early Reading Grant Program to Early Learning Agency		(125)		(125)
Alternative for English Learners		100		100
Math Remediation		3,390		3,390
Assessment Funding Adjustments		5,074		5,074
Pension Plan 1 Unfunded Liabilities			32	32
Federal Funding Adjustment			24,454	24,454
<b>Subtotal - Supplemental Changes</b>		8,439	24,486	32,925
<b>Total Proposed Budget</b>	38.9	91,942	148,791	240,733
Difference		8,439	24,486	32,925
Percent Change	0.0%	10.1%	19.7%	15.8%

#### SUPPLEMENTAL CHANGES

##### Move Early Reading Grant Program to Early Learning Agency

The Early Reading Grant program created last year will be moved to the new Department of Early Learning.

##### Alternative for English Learners

The Office of the Superintendent of Public Instruction will investigate how best to make sure language is not an obstacle to meeting Washington Assessment of Student Learning (WASL) standards in math by (1) investigating the use of existing mathematics assessments in languages other than English as a possible means of measuring 10th grade essential academic learnings and standards, including examining the content and rigor of the assessments as well as their reliability and validity; (2) providing a cost estimate of translating the 10th grade mathematics WASL into other languages and scoring these assessments if they are implemented; and (3) developing recommendations for each of the above areas.

## **KINDERGARTEN THROUGH GRADE 12 EDUCATION**

### **Math Remediation**

Although significant gains have been made in math achievement, tenth grade WASL scores indicate that students are still struggling to meet state standards in mathematics. Mathematics remediation will be strengthened through four initiatives. First, WASL knowledge and skill learning modules will be developed to assist students performing at 10th grade Level 1 in mathematics (\$110,000). Second, mathematics knowledge and skill learning modules will be developed to teach middle and high school students specific skills that have been identified as areas of difficulty for 10th grade students. Materials will be developed for classroom use and for tutorial learning activities (\$330,000). Third, web-based applications of the curriculum and materials produced for the learning modules will be developed. The products will be designed as on-line courses for students needing Level 1 instruction; learning modules accessible to classroom teachers for incorporation into classroom instruction; tutorials that can be used as WASL assessment skill refreshers as well as tutor-guided and parent-guided learning modules; and on-line practice WASLs with supporting item scoring information and student response examples (\$600,000). Fourth, a new 10th grade mathematics assessment tool will be developed that presents the mathematics essential learnings in segments for assessment. The new tool will be comparable in content and rigor to the 10th grade mathematics WASL when all segments are considered together and will be a valid and reliable assessment (\$2,350,000).

### **Assessment Funding Adjustments**

The 2005 Legislature enacted a two-year assessment budget expecting the Office of Superintendent of Public Instruction to obtain favorable contract prices, federal funding, or a combination of the two to cover the cost of returning the 10th grade assessment results to students by June 10th of each year and to develop and administer the state-required science WASL. OSPI was unable, however, to secure federal funding or fully eliminate contractor pricing expectations for these items.

### **Federal Funding Adjustment**

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs, including Education Reform programs for assessments, professional development, and school improvement. (General Fund-Federal)

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 060

### SPI - Transitional Bilingual Instruction

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	123,208	45,561	168,769
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		503	503
Pension Rate Correction	77		77
Enrollment/Workload Adjustment, SPI	(3,489)		(3,489)
Federal Funding Adjustment		6,180	6,180
<b>Subtotal - Supplemental Changes</b>	(3,412)	6,683	3,271
<b>Total Proposed Budget</b>	119,796	52,244	172,040
Difference	(3,412)	6,683	3,271
Percent Change	(2.8)%	14.7%	1.9%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

##### Enrollment/Workload Adjustment, SPI

Enrollment in transitional bilingual programs is lower than expected in the original operating budget. Enrollment for the 2005-06 school year is decreased by 2,287 students, from 79,749 to 77,463. For the 2006-07 school year, enrollment is decreased by 2,738, from 84,153 to 81,415.

##### Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. These estimates affect the Bilingual Education activity. (General Fund-Federal)

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 061

### SPI - Learning Assistance Program

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	130,801	367,832	498,633
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		553	553
Pension Rate Correction	89		89
Enrollment/Workload Adjustment, SPI	(1,607)		(1,607)
Federal Funding Adjustment		5,124	5,124
K-12 Inflation	229		229
<b>Subtotal - Supplemental Changes</b>	(1,289)	5,677	4,388
<b>Total Proposed Budget</b>	129,512	373,509	503,021
Difference	(1,289)	5,677	4,388
Percent Change	(1.0)%	1.5%	0.9%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

##### Enrollment/Workload Adjustment, SPI

The Learning Assistance Program (LAP) provides funds to school districts based on the percentage of students who receive free and reduced price lunch (FRPL). The percentage of students receiving FRPL has decreased, resulting in a decrease in allocations to districts.

##### Federal Funding Adjustment

The Superintendent of Public Instruction has submitted revised estimates of federal grants and allocations for education programs. (General Fund-Federal)

##### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.

# KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 063

## SPI - Promoting Academic Success

### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>			
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		296	296
Promoting Academic Success	37,232		37,232
<b>Subtotal - Supplemental Changes</b>	37,232	296	37,528
<b>Total Proposed Budget</b>	37,232	296	37,528
Difference	37,232	296	37,528
Percent Change	100.0%	100.0%	100.0%

### SUPPLEMENTAL CHANGES

#### Promoting Academic Success

A new program begins in July 2006 to help students who have been unsuccessful in one or more 10th grade WASL tests in reading, writing and mathematics. School districts may use the new funding to offer intensive instruction in ways that best fit the needs of the districts' students, including summer school; Saturday or before- or after-school classes; skill seminars; test preparation seminars; and in-school or out-of-school tutoring. These activities may occur on a school campus, via the Internet, or at other locations and times that meet student needs. School districts will report the types of assistance students selected to help them pass the WASL, the number of students who took part in each option, and the results achieved by students. Also created is a \$1.5 million grant program to reward districts for innovative and successful remediation programs.

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 714

### SPI - Compensation Adjustments

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	260,949	1,334	262,283
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		1,335	1,335
Health Benefit Changes	2,582		2,582
Promoting Academic Success	1,278		1,278
Pension Rate Correction	(155)	1	(154)
Enrollment/Workload Adjustment, SPI	1,303	4	1,307
Initiative 732 COLA	31,267	103	31,370
<b>Subtotal - Supplemental Changes</b>	36,275	1,443	37,718
<b>Total Proposed Budget</b>	297,224	2,777	300,001
Difference	36,275	1,443	37,718
Percent Change	13.9%	108.2%	14.4%

#### SUPPLEMENTAL CHANGES

##### Health Benefit Changes

The original 2005-07 Operating Budget provided an increase in the health benefit funding rate from the 2005-06 school year to the 2006-07 school year of 8 percent. Funding is provided for a rate increase of 8.5 percent between the two school years.

##### Promoting Academic Success

The additional certificated instructional staff provided under the new Promoting Academic Success program causes compensation increases to cost more.

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding in the 2006-07 school year for pension costs associated with Initiative 732 salary increases. (General Fund-State, General Fund-Federal)

##### Enrollment/Workload Adjustment, SPI

Since enrollment is higher than expected, there is an increase in the number of teachers and other staff funded by the state, resulting in additional costs for providing the health benefit and salary increases included in the 2005-07 Biennial Budget. (General Fund-State, General Fund-Federal)

##### Initiative 732 COLA

The Seattle Consumer Price Index (CPI) used to calculate the 2006-07 salary increase mandated by Initiative 732 is higher than originally expected. The 2005-07 Operating Budget estimated the second year increase at 1.7 percent. The current CPI estimate is now 2.7 percent. This change results in an increase of \$31.3 million for cost-of-living increases. (General Fund-State, General Fund-Federal)



Agency 343

**Higher Education Coordinating Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	85.9	329,346	92,916	422,262
<b>Supplemental Changes</b>				
GEAR-UP Stabilization		75		75
SmartBuy		(59)		(59)
Pension Plan 1 Unfunded Liabilities			40	40
Lease Rate Adjustments		250	88	338
Central Service Agency Charges		13	5	18
<b>Subtotal - Supplemental Changes</b>		279	133	412
<b>Total Proposed Budget</b>	85.9	329,625	93,049	422,674
Difference		279	133	412
Percent Change	0.0%	0.1%	0.1%	0.1%

**SUPPLEMENTAL CHANGES****GEAR-UP Stabilization**

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) is a federal/state higher education outreach program in which students earn college credits by participating in college preparation coursework and other activities in middle and high school. Due to greater participation than in previous outreach programs, funding for this program is expected to fall short of demand in Fiscal Year 2007. Additional funding is provided to ensure that all qualified students receive the scholarships they have earned.

**Lease Rate Adjustments**

Due to an increase in lease rates renegotiated in September 2005, and the success of the Guaranteed Education Tuition program, additional funds are needed to pay for the added cost of existing space and to lease an additional floor in one of two buildings occupied by agency staff. (General Fund-State, Advanced College Tuition Payment Program Account-Nonappropriated)

## HIGHER EDUCATION

Agency 360

### University of Washington

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	19,759.7	680,762	3,093,928	3,774,690
<b>Supplemental Changes</b>				
Pacific Northwest Seismic Network	2.0	400		400
Policy Consensus Center	1.0	100		100
Life Sciences Research		2,430		2,430
Resource Conservation Manager	.7			
SmartBuy		(177)		(177)
Pension Plan 1 Unfunded Liabilities			2,892	2,892
Classification Revisions		(69)	(70)	(139)
Central Service Agency Charges		17	6	23
<b>Subtotal - Supplemental Changes</b>	<b>3.7</b>	<b>2,701</b>	<b>2,828</b>	<b>5,529</b>
<b>Total Proposed Budget</b>	<b>19,763.4</b>	<b>683,463</b>	<b>3,096,756</b>	<b>3,780,219</b>
Difference	3.7	2,701	2,828	5,529
Percent Change	0.0%	0.4%	0.1%	0.1%

#### SUPPLEMENTAL CHANGES

##### Pacific Northwest Seismic Network

Funding is provided to update the Pacific Northwest Seismic Network, which has long provided effective monitoring for the state. The network's technological foundation has changed very little since 1980, and its staff is behind in maintaining and developing improvements that would achieve better warning and rapid notification of earthquake-related information. Recent developments in seismology, communications, and software make it relatively inexpensive to upgrade capabilities to ensure the delivery of timely information.

##### Policy Consensus Center

Washington State University and the University of Washington will develop a Policy Consensus Center (PCC) to offer assistance in resolving public policy conflicts. The PCC's mission is to act as a neutral source of expertise in order to improve the availability and quality of voluntary collaborative approaches to policy development and multi-party disputes. The PCC will assist government, tribal, business, agricultural, environmental, and other community leaders.

##### Life Sciences Research

The University of Washington will operate a research facility near Lake Union for its medical school. Staff funding leverages private and federal investments to make a significant total contribution to the state's medical and economic well-being.

##### Resource Conservation Manager

Although the University of Washington has achieved considerable energy savings in its facilities, opportunities for additional savings are not being realized because no single person has the sole responsibility for maximizing utility savings. In cooperation with private utilities, the University of Washington will hire a resource conservation manager to achieve additional electrical and natural gas savings at its campus facilities.

Agency 365

**Washington State University****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	6,048.0	418,364	575,144	993,508
<b>Supplemental Changes</b>				
Policy Consensus Center	.5	100		100
Maintenance and Operations	3.2	501		501
Compensation Updates/Corrections		(3,260)		(3,260)
SmartBuy		(256)		(256)
Pension Plan 1 Unfunded Liabilities			427	427
Classification Revisions		(185)	(41)	(226)
Utility Rate Adjustments		913		913
Central Service Agency Charges		23		23
<b>Subtotal - Supplemental Changes</b>	3.7	(2,164)	386	(1,778)
<b>Total Proposed Budget</b>	6,051.7	416,200	575,530	991,730
Difference	3.7	(2,164)	386	(1,778)
Percent Change	0.1%	(0.5)%	0.1%	(0.2)%

**SUPPLEMENTAL CHANGES****Policy Consensus Center**

Washington State University (WSU) and the University of Washington will develop a Policy Consensus Center (PCC) to offer assistance in resolving public policy conflicts. The PCC's mission will be to act as a neutral source of expertise in order to improve the availability and quality of voluntary collaborative approaches to policy development and multi-party disputes. The PCC will assist government, tribal, business, agricultural, environmental, and other community leaders.

**Maintenance and Operations**

Maintenance and operations are provided for three facilities scheduled for completion in the 2005-07 Biennium. The projects are an instructional space in Spokane, a weather station in Prosser, and a student services building in Vancouver.

**Compensation Updates/Corrections**

Funding is adjusted to reflect changes in the represented status of employees and to more closely reflect actual costs.

**Utility Rate Adjustments**

Recent natural gas rate increases have put a strain on Washington State University's operating budget. One-time funding will help WSU manage these increases while maintaining affordable access for students.

## HIGHER EDUCATION

Agency 370

### Eastern Washington University

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,181.9	93,206	88,494	181,700
<b>Supplemental Changes</b>				
SmartBuy		(121)		(121)
Pension Plan 1 Unfunded Liabilities			124	124
Classification Revisions		14	(2)	12
Utility Rate Adjustments		30		30
Central Service Agency Charges		22		22
<b>Subtotal - Supplemental Changes</b>		(55)	122	67
<b>Total Proposed Budget</b>	1,181.9	93,151	88,616	181,767
Difference		(55)	122	67
Percent Change	0.0%	(0.1)%	0.1%	0.0%

#### SUPPLEMENTAL CHANGES

##### Utility Rate Adjustments

Recent natural gas rate increases have put a strain on Eastern Washington University's (EWU) operating budget. One-time funding will help EWU manage these sharp increases while maintaining affordable access for students.

Agency 375

**Central Washington University****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,177.8	92,118	122,292	214,410
<b>Supplemental Changes</b>				
SmartBuy		(100)		(100)
Pension Plan 1 Unfunded Liabilities			110	110
Classification Revisions		2		2
Utility Rate Adjustments		17		17
Central Service Agency Charges		21		21
<b>Subtotal - Supplemental Changes</b>		(60)	110	50
<b>Total Proposed Budget</b>	1,177.8	92,058	122,402	214,460
Difference		(60)	110	50
Percent Change	0.0%	(0.1)%	0.1%	0.0%

**SUPPLEMENTAL CHANGES****Utility Rate Adjustments**

Recent natural gas rate increases have put a strain on Central Washington University's (CWU) operating budget. One-time funding is provided to help CWU manage these increases while maintaining affordable access for students.

## HIGHER EDUCATION

Agency 376

### The Evergreen State College

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	670.1	51,760	50,323	102,083
<b>Supplemental Changes</b>				
SmartBuy		(28)		(28)
Pension Plan 1 Unfunded Liabilities			77	77
Classification Revisions		19		19
Central Service Agency Charges		9		9
<b>Subtotal - Supplemental Changes</b>			77	77
<b>Total Proposed Budget</b>	670.1	51,760	50,400	102,160
Difference			77	77
Percent Change	0.0%	0.0%	0.2%	0.1%

Agency 377

**Spokane Intercollegiate Research and Technology Institute****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	23.9	2,922	1,395	4,317
<b>Supplemental Changes</b>				
Compensation Updates/Corrections		74		74
Pension Plan 1 Unfunded Liabilities			8	8
Central Service Agency Charges		1		1
<b>Subtotal - Supplemental Changes</b>		75	8	83
<b>Total Proposed Budget</b>	23.9	2,997	1,403	4,400
Difference		75	8	83
Percent Change	0.0%	2.6%	0.6%	1.9%

**SUPPLEMENTAL CHANGES****Compensation Updates/Corrections**

Pension funding was inadvertently left out of the Spokane Intercollegiate Research and Technology Institute's 2005-07 operating budget.

## HIGHER EDUCATION

Agency 380

### Western Washington University

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,715.3	119,410	172,968	292,378
<b>Supplemental Changes</b>				
SmartBuy		(77)		(77)
Pension Plan 1 Unfunded Liabilities			191	191
Classification Revisions		(2)		(2)
Central Service Agency Charges		22		22
<b>Subtotal - Supplemental Changes</b>		(57)	191	134
<b>Total Proposed Budget</b>	1,715.3	119,353	173,159	292,512
Difference		(57)	191	134
Percent Change	0.0%	0.0%	0.1%	0.0%



Agency 699

**Community and Technical College System****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	15,420.3	1,112,719	1,007,345	2,120,064
<b>Supplemental Changes</b>				
Facilities Maintenance		4,599		4,599
Applied Baccalaureate and Co-Location Costs		1,660		1,660
SmartBuy		(2,798)		(2,798)
Pension Plan 1 Unfunded Liabilities			1,556	1,556
Classification Revisions		193	6	199
Technical Corrections		10,000		10,000
Utility Rate Adjustments		248		248
Central Service Agency Charges		25		25
Initiative 732 COLA		2,710	254	2,964
Transfers				
Operating Costs/Existing Capital Projects		595		595
<b>Subtotal - Supplemental Changes</b>		17,232	1,816	19,048
<b>Total Proposed Budget</b>	15,420.3	1,129,951	1,009,161	2,139,112
Difference		17,232	1,816	19,048
Percent Change	0.0%	1.5%	0.2%	0.9%

**SUPPLEMENTAL CHANGES****Facilities Maintenance**

Funding is provided for the maintenance and operation of state-funded projects that will be occupied in the 2005-07 Biennium. Funding is also provided for instructional facilities that were financed with Certificates of Participation.

**Applied Baccalaureate and Co-Location Costs**

Legislation passed in the 2005 legislative session to grant authority to the community and technical colleges (CTCs) to develop and offer applied baccalaureate degrees. The CTC's were also authorized to pilot partnership projects with public universities and their branches in order to bring upper division programs to CTC campuses. This appropriation provides the funds to offer these programs.

**Technical Corrections**

The 2005-07 biennial operating budget bill misstated funding for Fiscal Year 2007 although the total was correct. This change remedies the technical error by correcting the fiscal year appropriation.

**Utility Rate Adjustments**

Recent natural gas rate increases have put a strain on the operating budgets of community and technical colleges. One-time funding is provided to help the CTC's manage these increases while maintaining affordable access for students.

## **HIGHER EDUCATION**

### **Initiative 732 COLA**

Funding is provided for cost-of-living (COLA) increases as required by Initiative 732. (General Fund-State, Institutions of Higher Education-Dedicated Local Account-Nonappropriated)

### **Transfers**

Facilities funded in the 2005-07 Biennial Budget were split evenly, resulting in funds being available in the first year that are not needed until the second year and causing a shortfall in funding in the second year. This item corrects the funding split between fiscal years.

### **Operating Costs/Existing Capital Projects**

Maintenance funding is provided for three state-funded projects that will open during the 2005-07 Biennium. These projects were inadvertently left out of the state-funded project list during the 2005-07 Biennial Budget development.

Agency 351

**State School For The Blind****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	82.5	10,384	1,335	11,719
<b>Supplemental Changes</b>				
Compensation Updates and Corrections		48		48
Insurance Update		(36)		(36)
SmartBuy		(62)		(62)
Pension Plan 1 Unfunded Liabilities			38	38
Classification Revisions		(2)		(2)
Central Service Agency Charges		15		15
Initiative 732 COLA		24		24
<b>Subtotal - Supplemental Changes</b>		(13)	38	25
<b>Total Proposed Budget</b>	82.5	10,371	1,373	11,744
Difference		(13)	38	25
Percent Change	0.0%	(0.1)%	2.8%	0.2%

**SUPPLEMENTAL CHANGES****Compensation Updates and Corrections**

Funding is provided for teacher salary increases in the current biennium as provided under Initiative 732, which were inadvertently omitted in the agency's 2005-07 budget.

**Insurance Update**

This item adjusts insurance funding to reflect a change in bargaining unit status for some employees.

**Initiative 732 COLA**

Funding is provided for teacher salary increases in the current biennium as provided under Initiative 732.

## EDUCATION - OTHER

Agency 353

### State School For The Deaf

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	123.7	17,032	232	17,264
<b>Supplemental Changes</b>				
Compensation Updates and Corrections		60		60
SmartBuy		(94)		(94)
Pension Plan 1 Unfunded Liabilities			50	50
Classification Revisions		(2)		(2)
Central Service Agency Charges		27		27
Initiative 732 COLA		30		30
<b>Subtotal - Supplemental Changes</b>		21	50	71
<b>Total Proposed Budget</b>	123.7	17,053	282	17,335
Difference		21	50	71
Percent Change	0.0%	0.1%	21.6%	0.4%

#### SUPPLEMENTAL CHANGES

##### Compensation Updates and Corrections

Funding is provided for teacher salary increases in the current biennium as provided under Initiative 732, which were inadvertently omitted in the agency's 2005-07 budget.

##### Initiative 732 COLA

Funding is provided for teacher salary increases in the current biennium as provided under Initiative 732.

Agency 354

**Work Force Training and Education Coordinating Board****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	22.8	2,456	54,387	56,843
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			12	12
Central Service Agency Charges		5	2	7
<b>Subtotal - Supplemental Changes</b>		5	14	19
<b>Total Proposed Budget</b>	22.8	2,461	54,401	56,862
Difference		5	14	19
Percent Change	0.0%	0.2%	0.0%	0.0%

## EDUCATION - OTHER

Agency 387

### Washington State Arts Commission

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	17.6	4,671	1,301	5,972
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			6	6
Central Service Agency Charges		7		7
Other Fund Adjustments			200	200
<b>Subtotal - Supplemental Changes</b>		7	206	213
<b>Total Proposed Budget</b>	17.6	4,678	1,507	6,185
Difference		7	206	213
Percent Change	0.0%	0.1%	15.8%	3.6%

#### SUPPLEMENTAL CHANGES

##### Other Fund Adjustments

The Arts Commission is provided increased expenditure authority for local and private grants that are received on a regular basis. The increase includes both consistent annual grants and additional grants anticipated during the remainder of the biennium. (General Fund-Private/Local)

Agency 390

**Washington State Historical Society****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	51.9	6,165	1,898	8,063
<b>Supplemental Changes</b>				
Lewis and Clark Station Camp Project			491	491
Pension Plan 1 Unfunded Liabilities			15	15
Classification Revisions		(4)	(3)	(7)
Central Service Agency Charges		9		9
<b>Subtotal - Supplemental Changes</b>		5	503	508
<b>Total Proposed Budget</b>	51.9	6,170	2,401	8,571
Difference		5	503	508
Percent Change	0.0%	0.1%	26.5%	6.3%

**SUPPLEMENTAL CHANGES****Lewis and Clark Station Camp Project**

Funding is provided for increased costs associated with the discovery of Native American remains at the Station Camp Unit in Lewis and Clark National Historic Park. (Multimodal Transportation Account-State)

## EDUCATION - OTHER

Agency 395

### Eastern Washington State Historical Society

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	37.3	3,266	3,000	6,266
<b>Supplemental Changes</b>				
Pension Plan 1 Unfunded Liabilities			11	11
Classification Revisions		(8)	(6)	(14)
Central Service Agency Charges		6		6
<b>Subtotal - Supplemental Changes</b>		(2)	5	3
<b>Total Proposed Budget</b>	37.3	3,264	3,005	6,269
Difference		(2)	5	3
Percent Change	0.0%	(0.1)%	0.2%	0.0%



Agency DEL

**Department of Early Learning****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>				
<b>Supplemental Changes</b>				
Early Reading Initiative		125		125
Head Start - State Collaboration Office	.8		180	180
Early Childhood Education and Assistance Program	6.8	29,941		29,941
New Agency Operations	3.5	1,138		1,138
SmartBuy		(14)		(14)
<b>Subtotal - Supplemental Changes</b>	<b>11.0</b>	<b>31,190</b>	<b>180</b>	<b>31,370</b>
<b>Total Proposed Budget</b>	<b>11.0</b>	<b>31,190</b>	<b>180</b>	<b>31,370</b>
Difference	11.0	31,190	180	31,370
Percent Change	100.0%	100.0%	100.0%	100.0%

**SUPPLEMENTAL CHANGES****Early Reading Initiative**

The early reading initiative was created by the Legislature in the 2005-07 biennial budget bill. Funding is provided for an early reading grant program for community-based initiatives to develop pre-reading and early reading skills through parental and community involvement, public awareness, coordination of resources, and partnerships with local school districts. Five local and regional proposals were funded through the Office of the Superintendent of Public Instruction (OSPI) in Fiscal Year 2006. This grant program is transferred from OSPI to the new Department of Early Learning.

**Head Start - State Collaboration Office**

This federally-funded office was created to ensure a visible state presence for the federal/local Head Start Program. It develops and supports multi-agency partnerships at the federal, state, and local levels. The office is transferred from the Department of Social and Health Services to the Department of Early Learning. (General Fund-Federal)

**Early Childhood Education and Assistance Program**

The Early Childhood Education and Assistance Program (ECEAP) is a state-funded comprehensive preschool program for three- and four-year-old low-income children and their families. Children receive early learning services in literacy, language, math, science, health, medical linkages, and social and emotional development. ECEAP offers family support services to encourage parental involvement. It also provides education to parents in child development, health, and nutrition. This program is transferred from the Department of Community, Trade and Economic Development to the Department of Early Learning.

**New Agency Operations**

This item provides one-time funds to cover program transition and establish a headquarters office for the new department. Also funded are the ongoing costs of staffing and operating an agency.



Agency 713

# State Employee Compensation

## Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	4,400	(3,900)	500
<b>Supplemental Changes</b>			
Pension Funding Stabilization Account #	176,000		176,000
Pension Plan 1 Unfunded Liabilities		698	698
<b>Subtotal - Supplemental Changes</b>	176,000	698	176,698
<b>Total Proposed Budget</b>	180,400	(3,202)	177,198
Difference	176,000	698	176,698
Percent Change	4,000.0%	(17.9)%	35,339.6%

## SUPPLEMENTAL CHANGES

### Pension Funding Stabilization Account #

An appropriation from General Fund-State is made into the newly created Pension Funding Stabilization Account for the purpose of reducing the unfunded PERS/TRS pension liability.



## BOND RETIREMENT AND INTEREST

Agency 010

### Bond Retirement and Interest

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	1,416,608	646,332	2,062,940
<b>Supplemental Changes</b>			
Other Rate Adjustments	(35,000)	(43,023)	(78,023)
<b>Subtotal - Supplemental Changes</b>	(35,000)	(43,023)	(78,023)
<b>Total Proposed Budget</b>	1,381,608	603,309	1,984,917
Difference	(35,000)	(43,023)	(78,023)
Percent Change	(2.5)%	(6.7)%	(3.8)%

#### SUPPLEMENTAL CHANGES

##### Other Rate Adjustments

Appropriations are adjusted to anticipated amounts for debt service and other debt-related expenditures. (General Fund-State, various other funds)



## SPECIAL APPROPRIATIONS TO THE GOVERNOR

Agency 076

### Special Appropriations to the Governor

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>		(687)	55,070	54,383
<b>Supplemental Changes</b>				
Fire Contingency		1,600	4,000	5,600
Student Achievement Account		275		275
Education Legacy Trust Account		822		822
Life Sciences Discovery Fund Authority		992		992
Energy Efficiency Grants #		17,500		17,500
Disability Survivor's Benefit #		18	532	550
Health Services Account		85,000		85,000
K-20 Network Technical Correction			(3,000)	(3,000)
Additional Reserves #		464,000		464,000
Interoperable Communications	.5		500	500
SmartBuy		25,000		25,000
Central Service Agency Charges		118	45	163
<b>Subtotal - Supplemental Changes</b>	<b>0.5</b>	<b>595,325</b>	<b>2,077</b>	<b>597,402</b>
<b>Total Proposed Budget</b>	<b>.5</b>	<b>594,638</b>	<b>57,147</b>	<b>651,785</b>
Difference	.5	595,325	2,077	597,402
Percent Change	100.0%	(86,655.7)%	3.8%	1,098.5%

#### SUPPLEMENTAL CHANGES

##### Fire Contingency

The fire contingency pool was created in 1999 to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated directly to agencies. Funds are appropriated from the General Fund to the Disaster Response Account to replenish the contingency pool. Additional funds are also provided from the Disaster Response Account for the 2006 fire season. (General Fund-State, Disaster Response Account-State)

##### Student Achievement Account

Increases in expenditure demands and insufficient revenue projections require that General Fund monies be appropriated to the Student Achievement Account to support essential activities.

##### Education Legacy Trust Account

Increases in expenditure demands and insufficient revenue projections require that General Fund monies be appropriated to the Education Legacy Trust Account to support essential activities.

##### Life Sciences Discovery Fund Authority

The Life Sciences Discovery Fund Authority was created in 2005 legislation to make grants for life sciences research. Additional funds are provided in Fiscal Year 2007 for start-up costs.

## **SPECIAL APPROPRIATIONS TO THE GOVERNOR**

### **Energy Efficiency Grants #**

Recent increases in the price of energy have caused more citizen and industry dollars to leave the state. Biodiesel and other alternative fuels hold the promise of keeping more dollars in the state and helping the state's agricultural communities. Through executive request legislation, a bioenergy revolving loan account is established to provide low-interest loans for capital costs for facilities converting farm crops and waste into energy. General Fund-State dollars will be deposited into the new Washington Bioenergy Loan Account.

### **Disability Survivor's Benefit #**

The Department of Retirement Systems erred in its calculation of payments to surviving spouses of disabled Washington State Patrol officers. Additional funding is provided for the Washington State Patrol Retirement System to cover retroactive payments to the surviving spouses of these officers. (General Fund-State, Public Safety and Education Account-State, State Patrol Highway Account-State, Violence Reduction and Drug Enforcement Account-State)

### **Health Services Account**

The November 2005 forecast of caseload and per capita expenditures for Medicaid medical programs significantly shifted the source of state matching funds, requiring General Fund monies to be appropriated to the Health Services Account to support current entitlement programs.

### **K-20 Network Technical Correction**

Ongoing operational costs and equipment replacement expenses of the K-20 Educational Network are included in the Department of Information Services. This adjustment eliminates expenditure estimates in Special Appropriations to the Governor. (Education Technology Revolving Account-Nonappropriated)

### **Additional Reserves #**

An appropriation is made to the Economic Stability Account, which sets aside funds for critical needs related to education, health care, or emergencies.

### **Interoperable Communications**

The Governor will allocate these funds based on recommendations from the State Interoperability Executive Committee (SIEC) for the most effective deployment of these resources. (Public Safety and Education Account-State)

### **SmartBuy**

The original 2005-07 budget anticipated \$25 million of General Fund-State savings through the use of strategies being developed by the Department of General Administration, State Printer, and Department of Information Services to reduce the cost of goods and services. These savings are now reflected in individual agency budgets.

### **Central Service Agency Charges**

The adjustments for billings from the Department of Personnel and Office of Financial Management billings to legislative and judicial agencies are included in this item.



Agency 707

**Sundry Claims****Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>				
<b>Supplemental Changes</b>				
Self Defense Claims		12		12
Deer and Elk Damage Claims			22	22
<b>Subtotal - Supplemental Changes</b>		12	22	34
<b>Total Proposed Budget</b>		12	22	34
Difference		12	22	34
Percent Change		100.0%	100.0%	100.0%

**SUPPLEMENTAL CHANGES****Self Defense Claims**

Pursuant to RCW 9A.16.110, the Office of Risk Management recommends payment for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

**Deer and Elk Damage Claims**

RCW 77.36 authorizes the state to pay for crop damage caused by wildlife. This item deposits money from the State Wildlife Account into the Self-Insurance Liability Account to reimburse payment made to Circle S Landscape for wildlife damage. (State Wildlife Account-State)



## RETIREMENT SYSTEM CONTRIBUTIONS

Agency 740

### Contributions to Retirement Systems

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	83,600		83,600
<b>Supplemental Changes</b>			
Pension Adjustments, Nonrate	4,140		4,140
<b>Subtotal - Supplemental Changes</b>	4,140		4,140
<b>Total Proposed Budget</b>	87,740		87,740
Difference	4,140		4,140
Percent Change	5.0%		5.0%

#### SUPPLEMENTAL CHANGES

##### Pension Adjustments, Nonrate

Additional funding is provided for the judicial retirement system to cover updated cost estimates from the State Actuary.



# STATEWIDE EXPENDITURE SUMMARY

## 2005-07 Biennial Budget, 2006 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2005-07 Biennial Budget		2006 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
<b>State of Washington Totals</b>						
Legislative	140,970	149,503			140,970	149,503
Judicial	95,869	205,183	29,877	30,707	125,746	235,890
Governmental Operations	456,176	3,189,452	(22,558)	108,380	433,618	3,297,832
Human Services	9,458,768	21,370,163	142,120	342,651	9,600,888	21,712,814
Natural Resources and Recreation	366,902	1,299,468	1,573	30,513	368,475	1,329,981
Transportation	70,464	5,596,911	843	43,189	71,307	5,640,100
Public Schools	10,914,763	13,147,661	152,885	243,019	11,067,648	13,390,680
Higher Education	2,900,607	8,105,412	17,951	23,622	2,918,558	8,129,034
All Other Education	43,974	105,940	31,213	32,209	75,187	138,149
All Other Expenditures and Appropriations	1,503,921	2,201,423	740,477	700,251	2,244,398	2,901,674
<b>Total</b>	<b>25,952,414</b>	<b>55,371,116</b>	<b>1,094,381</b>	<b>1,554,541</b>	<b>27,046,795</b>	<b>56,925,657</b>
<b>Legislative and Judicial Agencies</b>						
House of Representatives	61,161	61,161			61,161	61,161
Senate	48,621	48,621			48,621	48,621
Joint Transportation Committee		1,400				1,400
Joint Legislative Audit and Review Committee	4,484	4,484			4,484	4,484
Legislative Evaluation and Accountability Program Committee	3,658	3,658			3,658	3,658
Office of the State Actuary		3,013				3,013
Joint Legislative Systems Committee	14,536	16,380			14,536	16,380
Statute Law Committee	8,510	10,786			8,510	10,786
Supreme Court	12,431	12,431	52	52	12,483	12,483
Law Library	4,031	4,031	4	4	4,035	4,035
Court of Appeals	28,224	28,224	58	58	28,282	28,282
Commission on Judicial Conduct	2,162	2,162			2,162	2,162
Administrative Office of the Courts	39,738	117,885	1,751	2,581	41,489	120,466
Office of Public Defense	3,568	24,043	27,412	27,412	30,980	51,455
Office of Civil Legal Aid	5,715	16,407	600	600	6,315	17,007
<b>Total</b>	<b>236,839</b>	<b>354,686</b>	<b>29,877</b>	<b>30,707</b>	<b>266,716</b>	<b>385,393</b>
<b>Governmental Operations</b>						
Office of the Governor	10,879	16,935	480	4,675	11,359	21,610
Office of Lieutenant Governor	1,518	1,519	2	4	1,520	1,523
Public Disclosure Commission	3,998	3,998	4	14	4,002	4,012
Office of the Secretary of State	36,425	117,285	1,396	8,712	37,821	125,997
Governor's Office of Indian Affairs	566	566	3	4	569	570
Commission on Asian Pacific American Affairs	473	473	1	2	474	475
Office of State Treasurer		14,124		50		14,174
Office of State Auditor	4,325	54,242	(2,732)	(2,542)	1,593	51,700
Commission on Salaries for Elected Officials	343	343	1	1	344	344
Office of Attorney General	10,379	205,976	441	6,549	10,820	212,525
Caseload Forecast Council	1,433	1,433	2	6	1,435	1,439
Department of Financial Institutions		37,490		1,344		38,834
Department of Community, Trade, and Economic Development	132,945	455,419	(27,495)	(2,775)	105,450	452,644
Economic and Revenue Forecast Council	1,090	1,090	12	15	1,102	1,105
Office of Financial Management	33,043	105,616	4,280	10,709	37,323	116,325
Office of Administrative Hearings		29,540		105		29,645
Department of Personnel		54,332		14,156		68,488
State Lottery		735,244		73		735,317
Washington State Gambling Commission		29,954		108		30,062
Commission on Hispanic Affairs	485	485	1	2	486	487
Commission on African-American Affairs	477	477	1	2	478	479

## STATEWIDE EXPENDITURE SUMMARY

### 2005-07 Biennial Budget, 2006 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2005-07 Biennial Budget		2006 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
Personnel Appeals Board		1,043		76		1,119
Department of Retirement Systems		49,396		844		50,240
State Investment Board		16,020		103		16,123
Public Printer		65,767		63		65,830
Department of Revenue	181,548	193,587	(324)	4,055	181,224	197,642
Board of Tax Appeals	2,573	2,573	2	8	2,575	2,581
Municipal Research Council		4,921				4,921
Office of Minority and Women's Business Enterprises		3,186		10		3,196
Department of General Administration	554	132,990	(1)	565	553	133,555
Department of Information Services		210,065		3,555		213,620
Office of Insurance Commissioner		40,926		1,141		42,067
Board of Accountancy		1,962		274		2,236
Forensic Investigations Council		282		1		283
Horse Racing Commission		8,609		18		8,627
Liquor Control Board	3,445	193,548	(8)	4,081	3,437	197,629
Utilities and Transportation Commission		33,349		7,731		41,080
Board for Volunteer Firefighters		843		87		930
Military Department	19,446	270,001	1,367	44,245	20,813	314,246
Public Employment Relations Commission	5,600	8,545	6	30	5,606	8,575
Law Enforcement Officers' and Fire Fighters' Plan						
2 Retirement Board		1,908		4		1,912
Department of Archaeology and Historic Preservation	1,473	3,250		243	1,473	3,493
Growth Management Hearings Office	3,158	3,158	3	11	3,161	3,169
State Convention and Trade Center		76,982		21		77,003
<b>Total</b>	<b>456,176</b>	<b>3,189,452</b>	<b>(22,558)</b>	<b>108,380</b>	<b>433,618</b>	<b>3,297,832</b>
<b>Human Services Agencies</b>						
Washington State Health Care Authority		622,448	427	2,145	427	624,593
Human Rights Commission	5,230	6,971	61	81	5,291	7,052
Board of Industrial Insurance Appeals		32,817		106		32,923
Criminal Justice Training Commission		19,611		96		19,707
Department of Labor and Industries	15,202	525,846	(4)	8,398	15,198	534,244
Indeterminate Sentence Review Board	2,188	2,188	349	353	2,537	2,541
Department of Social and Health Services	7,883,928	17,217,073	89,929	247,469	7,973,857	17,464,542
Home Care Quality Authority	2,012	3,046	1	136	2,013	3,182
Department of Health	128,441	878,304	(567)	20,828	127,874	899,132
Department of Veterans Affairs	25,915	86,058	(3,055)	2,253	22,860	88,311
Department of Corrections	1,390,181	1,422,637	54,912	56,973	1,445,093	1,479,610
Department of Services for the Blind	3,826	21,023	65	494	3,891	21,517
Sentencing Guidelines Commission	1,725	1,725	2	6	1,727	1,731
Employment Security Department	120	530,416		3,313	120	533,729
<b>Total</b>	<b>9,458,768</b>	<b>21,370,163</b>	<b>142,120</b>	<b>342,651</b>	<b>9,600,888</b>	<b>21,712,814</b>

# STATEWIDE EXPENDITURE SUMMARY

## 2005-07 Biennial Budget, 2006 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2005-07 Biennial Budget		2006 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
<b>Social and Health Service Programs</b>						
Children's Administration	517,355	951,420	30,190	46,051	547,545	997,471
Juvenile Rehabilitation	159,568	210,670	(2,524)	(2,641)	157,044	208,029
Mental Health	844,678	1,373,046	16,689	10,597	861,367	1,383,643
Developmental Disabilities	770,056	1,460,555	(4,019)	(484)	766,037	1,460,071
Long Term Care	1,228,339	2,517,105	26,071	54,114	1,254,410	2,571,219
Economic Services Administration	984,247	2,262,160	63,791	59,973	1,048,038	2,322,133
Alcohol And Substance Abuse	124,191	303,922	52	27,910	124,243	331,832
Medical Assistance Payments	3,077,313	7,767,870	(47,113)	35,630	3,030,200	7,803,500
Vocational Rehabilitation	22,552	111,691	(115)	(368)	22,437	111,323
Administration and Supporting Services	62,868	120,770	111	9,163	62,979	129,933
Payments to Other Agencies	92,761	137,864	6,796	7,524	99,557	145,388
<b>Total</b>	<b>7,883,928</b>	<b>17,217,073</b>	<b>89,929</b>	<b>247,469</b>	<b>7,973,857</b>	<b>17,464,542</b>
<b>Natural Resource Agencies</b>						
Columbia River Gorge Commission	949	1,808	1	6	950	1,814
Department of Ecology	80,692	388,758	(141)	11,300	80,551	400,058
Pollution Liability Insurance Program		2,001		6		2,007
State Parks and Recreation Commission	69,196	119,856	315	722	69,511	120,578
Interagency Committee for Outdoor Recreation	2,815	25,983	3	(969)	2,818	25,014
Environmental Hearings Office	2,121	2,121	2	7	2,123	2,128
State Conservation Commission	4,488	8,663	3	259	4,491	8,922
Department of Fish and Wildlife	90,221	302,511	1,398	13,150	91,619	315,661
Department of Natural Resources	92,977	341,863	(31)	4,921	92,946	346,784
Department of Agriculture	23,443	105,904	23	1,111	23,466	107,015
<b>Total</b>	<b>366,902</b>	<b>1,299,468</b>	<b>1,573</b>	<b>30,513</b>	<b>368,475</b>	<b>1,329,981</b>
<b>Transportation Agencies</b>						
Board of Pilotage Commissioners		417		3		420
Washington State Patrol	66,791	405,840	964	11,512	67,755	417,352
Traffic Safety Commission		21,303		15		21,318
Department of Licensing	3,673	244,077	(121)	3,314	3,552	247,391
Department of Transportation		4,607,968		36,205		4,644,173
County Road Administration Board		102,220		(682)		101,538
Transportation Improvement Board		208,275		(7,187)		201,088
Marine Employees' Commission		390		4		394
Transportation Commission		5,757		3		5,760
Freight Mobility Strategic Investment Board		664		2		666
<b>Total</b>	<b>70,464</b>	<b>5,596,911</b>	<b>843</b>	<b>43,189</b>	<b>71,307</b>	<b>5,640,100</b>

## STATEWIDE EXPENDITURE SUMMARY

### 2005-07 Biennial Budget, 2006 Supplemental, Combined Totals

for General Fund-State and Total Funds by Agency

(Dollars in Thousands)

Agency	2005-07 Biennial Budget		2006 Supplemental		Totals	
	GF-State	All Funds	GF-State	All Funds	GF-State	All Funds
<b>Education Agencies</b>						
State Board of Education		129,737				129,737
Office of the Superintendent of Public Instruction	46,163	126,128	10,534	13,853	56,697	139,981
General Apportionment	8,423,967	8,423,967	46,979	75,401	8,470,946	8,499,368
Pupil Transportation	490,745	490,745	6,850	7,563	497,595	498,308
School Food Services	6,306	403,566		14,660	6,306	418,226
Special Education	931,993	1,367,457	12,524	15,948	944,517	1,383,405
Educational Service Districts	7,418	7,418	(16)	12	7,402	7,430
Levy Equalization	357,167	357,167	1,053	1,053	358,220	358,220
Elementary and Secondary School Improvement		22,084				22,084
Institutional Education	38,757	38,757	(2,349)	(2,321)	36,408	36,436
Education of Highly Capable Students	13,786	13,786	65	109	13,851	13,895
Student Achievement Program		629,356		911		630,267
Education Reform	83,503	207,808	8,439	32,925	91,942	240,733
Transitional Bilingual Instruction	123,208	168,769	(3,412)	3,271	119,796	172,040
Learning Assistance Program	130,801	498,633	(1,289)	4,388	129,512	503,021
Promoting Academic Success			37,232	37,528	37,232	37,528
Compensation Adjustments	260,949	262,283	36,275	37,718	297,224	300,001
<b>Superintendent of Public Instruction Total</b>	<b>10,914,763</b>	<b>13,017,924</b>	<b>152,885</b>	<b>243,019</b>	<b>11,067,648</b>	<b>13,260,943</b>
Higher Education Coordinating Board	329,346	422,262	279	412	329,625	422,674
University of Washington	680,762	3,774,690	2,701	5,529	683,463	3,780,219
Washington State University	418,364	993,508	(2,164)	(1,778)	416,200	991,730
Eastern Washington University	93,206	181,700	(55)	67	93,151	181,767
Central Washington University	92,118	214,410	(60)	50	92,058	214,460
The Evergreen State College	51,760	102,083		77	51,760	102,160
Spokane Intercollegiate Research and Technology Institute	2,922	4,317	75	83	2,997	4,400
Western Washington University	119,410	292,378	(57)	134	119,353	292,512
Community and Technical College System	1,112,719	2,120,064	17,232	19,048	1,129,951	2,139,112
<b>Higher Education Total</b>	<b>2,900,607</b>	<b>8,105,412</b>	<b>17,951</b>	<b>23,622</b>	<b>2,918,558</b>	<b>8,129,034</b>
State School For The Blind	10,384	11,719	(13)	25	10,371	11,744
State School For The Deaf	17,032	17,264	21	71	17,053	17,335
Work Force Training and Education Coordinating Board	2,456	56,843	5	19	2,461	56,862
Washington State Arts Commission	4,671	5,972	7	213	4,678	6,185
Washington State Historical Society	6,165	8,063	5	508	6,170	8,571
Eastern Washington State Historical Society	3,266	6,079	(2)	3	3,264	6,082
Department of Early Learning			31,190	31,370	31,190	31,370
<b>Other Education Total</b>	<b>43,974</b>	<b>105,940</b>	<b>31,213</b>	<b>32,209</b>	<b>75,187</b>	<b>138,149</b>
<b>Total</b>	<b>13,859,344</b>	<b>21,359,013</b>	<b>202,049</b>	<b>298,850</b>	<b>14,061,393</b>	<b>21,657,863</b>
<b>Special Appropriation Agencies</b>						
State Employee Compensation	4,400	500	176,000	176,698	180,400	177,198
Bond Retirement and Interest	1,416,608	2,062,940	(35,000)	(78,023)	1,381,608	1,984,917
Special Appropriations to the Governor	(687)	54,383	595,325	597,402	594,638	651,785
Sundry Claims			12	34	12	34
Contributions to Retirement Systems	83,600	83,600	4,140	4,140	87,740	87,740
<b>Total</b>	<b>1,503,921</b>	<b>2,201,423</b>	<b>740,477</b>	<b>700,251</b>	<b>2,244,398</b>	<b>2,901,674</b>



## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Department of Community, Trade, and Economic Development</b>				
<b>06-1-001</b>	<b>Wa Bio-Energy Loan Fund</b>			
WBL-1	Washington Bioenergy Loan Acct - State	17,500,000		17,500,000
<b>06-2-001</b>	<b>Energy MatchMaker Grant Program</b>			
532-1	Washington Housing Trust Account - State	4,500,000		4,500,000
<b>06-4-003</b>	<b>Drinking Water Assistance Program</b>			
07R-1	Drinking Water Assistance Repayment - State	10,280,000		10,280,000
<b>06-4-008</b>	<b>Local/Community Projects</b>			
057-1	State Building Construction Account - State	4,200,000		4,200,000
<b>06-4-014</b>	<b>Public Works Assistance Account</b>			
058-1	Public Works Assistance Account - State	55,000,000		55,000,000
<hr/>				
<b>Agency Fund Total</b>				
07R-1	Drinking Water Assistance Repayment - State	10,280,000		10,280,000
058-1	Public Works Assistance Account - State	55,000,000		55,000,000
057-1	State Building Construction Account - State	4,200,000		4,200,000
WBL-1	Washington Bioenergy Loan Acct - State	17,500,000		17,500,000
532-1	Washington Housing Trust Account - State	4,500,000		4,500,000
<b>Agency Total</b>		<b>91,480,000</b>		<b>91,480,000</b>

### Department of General Administration

<b>01-1-008</b>	<b>Legislative Building: Rehabilitation and Capital Addition</b>			
289-1	Thurston County Capital Facilities - State	114,063	114,063	
<b>06-1-002</b>	<b>North Capital Campus Executive Office Building(s)</b>			
289-1	Thurston County Capital Facilities - State	900,000		900,000
<b>06-2-001</b>	<b>Capital Campus Master Plan</b>			
289-1	Thurston County Capital Facilities - State	200,000		200,000
<hr/>				
<b>Agency Fund Total</b>				
289-1	Thurston County Capital Facilities - State	1,214,063	114,063	1,100,000

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Military Department</b>				
<b>06-2-005 Washington Youth Academy</b>				
001-2	General Fund - Basic Account - Federal	273,000		273,000
057-1	State Building Construction Account - State	3,050,000		3,050,000
<b>Project Total</b>		<b>3,323,000</b>		<b>3,323,000</b>
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<b>Agency Fund Total</b>				
001-2	General Fund - Basic Account - Federal	273,000		273,000
057-1	State Building Construction Account - State	3,050,000		3,050,000
<b>Agency Total</b>		<b>3,323,000</b>		<b>3,323,000</b>
<b>Department of Social and Health Services</b>				
<b>00-1-041 Echo Glen Children's Center-Eleven Cottages: Renovation</b>				
057-1	State Building Construction Account - State	5,800,000		5,800,000
<b>04-1-950 Rainier School-Wastewater Treatment Plant: Construction (Buckley)</b>				
057-1	State Building Construction Account - State	3,926,000		3,926,000
<b>06-2-202 Green Hill School: New IMU, Health Center and Administration</b>				
057-1	State Building Construction Account - State	1,250,000		1,250,000
<b>06-2-505 Special Commitment Center on McNeil Island: Additional Capacity</b>				
042-1	Char/Ed/Penal/Reform/Institutions - State	1,028,000		1,028,000
057-1	State Building Construction Account - State	822,000		822,000
<b>Project Total</b>		<b>1,850,000</b>		<b>1,850,000</b>
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<b>Agency Fund Total</b>				
042-1	Char/Ed/Penal/Reform/Institutions - State	1,028,000		1,028,000
057-1	State Building Construction Account - State	11,798,000		11,798,000
<b>Agency Total</b>		<b>12,826,000</b>		<b>12,826,000</b>

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Department of Veterans Affairs</b>				
<b>06-1-008 Retsil Building 9 Renovation Transient Program</b>				
001-2	General Fund - Basic Account - Federal	318,000		318,000
057-1	State Building Construction Account - State	171,000		171,000
<b>Project Total</b>		<b>489,000</b>		<b>489,000</b>
<hr/>				
<b>Agency Fund Total</b>				
001-2	General Fund - Basic Account - Federal	318,000		318,000
057-1	State Building Construction Account - State	171,000		171,000
<b>Agency Total</b>		<b>489,000</b>		<b>489,000</b>

### Department of Corrections

<b>00-2-008 Monroe Corrections Center: 100 Bed Management and Segregation</b>				
001-2	General Fund - Basic Account - Federal	927,000	927,000	
057-1	State Building Construction Account - State	(927,000)	(927,000)	
<b>Project Total</b>				
<b>04-2-005 WSP: Design and Construct North Close Security Compound</b>				
001-2	General Fund - Basic Account - Federal	(927,000)		(927,000)
057-1	State Building Construction Account - State	927,000		927,000
<b>Project Total</b>				
<b>06-1-023 Washington State Penitentiary: Replace Correctional Industry Roof</b>				
057-1	State Building Construction Account - State	3,451,000		3,451,000
<hr/>				
<b>Agency Fund Total</b>				
001-2	General Fund - Basic Account - Federal		927,000	(927,000)
057-1	State Building Construction Account - State	3,451,000	(927,000)	4,378,000
<b>Agency Total</b>		<b>3,451,000</b>		<b>3,451,000</b>

### Department of Ecology

<b>06-1-002 Waste Tire Clean Up</b>				
08R-1	Waste Tire Removal Account - State	4,000,000		4,000,000

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Department of Ecology (Continued)</b>				
<b>06-1-003 Early Spill Response Equipment Caching</b>				
174-1	Local Toxics Control Account - State	1,450,000		1,450,000
<b>06-1-005 Clean Up Toxics Sites - Upland and Aquatics</b>				
173-1	State Toxics Control Account - State	5,000,000		5,000,000
<b>06-2-001 Safe Soil Remediation and Awareness Projects</b>				
173-1	State Toxics Control Account - State	3,000,000		3,000,000
<b>06-2-006 Local Innovative Stormwater Grants</b>				
057-1	State Building Construction Account - State	2,500,000		2,500,000
<b>06-4-001 Clean Up Toxics Sites - Puget Sound</b>				
173-1	State Toxics Control Account - State	4,000,000		4,000,000
<b>06-4-007 Centennial Clean Water Program</b>				
173-1	State Toxics Control Account - State	3,500,000		3,500,000
139-1	Water Quality Account - State	1,500,000		1,500,000
<b>Project Total</b>		<u>5,000,000</u>		<u>5,000,000</u>
<b>06-4-008 Local Toxics Grants for Cleanup and Prevention</b>				
174-1	Local Toxics Control Account - State	18,900,000		18,900,000
<hr/>				
<b>Agency Fund Total</b>				
174-1	Local Toxics Control Account - State	20,350,000		20,350,000
057-1	State Building Construction Account - State	2,500,000		2,500,000
173-1	State Toxics Control Account - State	15,500,000		15,500,000
08R-1	Waste Tire Removal Account - State	4,000,000		4,000,000
139-1	Water Quality Account - State	1,500,000		1,500,000
<b>Agency Total</b>		<u>43,850,000</u>		<u>43,850,000</u>

### State Parks and Recreation Commission

<b>04-1-001 Minor Works: Facility Preservation</b>			
269-1	Parks Renewal/Stewardship Account - State	(1,920,921)	(1,920,921)
<b>04-2-013 Parkland Acquisition</b>			
02N-1	Parkland Acquisition Account - State	(221,690)	(221,690)

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>State Parks and Recreation Commission (Continued)</b>				
<b>06-1-011 Sustainable Development &amp; Restoration</b>				
057-1	State Building Construction Account - State	500,000		500,000
<b>06-2-020 Parkland Acquisition Account</b>				
02N-1	Parkland Acquisition Account - State	2,000,000		2,000,000
<hr/>				
<b>Agency Fund Total</b>				
02N-1	Parkland Acquisition Account - State	1,778,310	(221,690)	2,000,000
269-1	Parks Renewal/Stewardship Account - State	(1,920,921)	(1,920,921)	
057-1	State Building Construction Account - State	500,000		500,000
<b>Agency Total</b>		<b>357,389</b>	<b>(2,142,611)</b>	<b>2,500,000</b>

### Interagency Committee for Outdoor Recreation

<b>98-2-002 Nonhighway Off-road Vehicle Program (NOVA)</b>			
268-1	NOVA Program Account - State	79,000	79,000
<b>98-2-003 Wildlife and Recreation Program (WWRP)</b>			
244-1	Habitat Conservation Account - State	3,212,000	3,212,000
<b>98-2-004 Firearms &amp; Archery Range Recreation Program</b>			
146-1	Firearms Range Account - State	30,000	30,000
<b>00-2-001 Salmon Recovery Funding Board Programs (SRFB)</b>			
001-2	General Fund - Basic Account - Federal	2,093,000	2,093,000
06A-1	Salmon Recovery Account - State	1,231,000	1,231,000
<b>Project Total</b>		<b>3,324,000</b>	<b>3,324,000</b>
<b>02-0-001 Firearms and Archery Range Program (FARR)</b>			
146-1	Firearms Range Account - State	76,000	76,000
<b>02-4-003 Washington Wildlife and Recreation Program (WWRP)</b>			
070-1	Outdoor Recreation Account - State	1,484,000	1,484,000
<b>04-4-001 Salmon Recovery Fund Board Programs (SRFB)</b>			
001-2	General Fund - Basic Account - Federal	3,044,000	3,044,000
057-1	State Building Construction Account - State	2,385,000	2,385,000
<b>Project Total</b>		<b>5,429,000</b>	<b>5,429,000</b>

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Interagency Committee for Outdoor Recreation (Continued)</b>				
<b>04-4-003 Boating Facilities Program (BFP)</b>				
267-1	Recreation Resources Account - State	731,000	731,000	
<b>04-4-004 Nonhighway &amp; Off-Road Vehicle Activities Program (NOVA)</b>				
268-1	NOVA Program Account - State	128,000	128,000	
<b>04-4-006 Firearms &amp; Archery Range Recreation Program (FARR)</b>				
146-1	Firearms Range Account - State	10,000	10,000	
<b>04-4-008 National Recreation Trails Program (NRTP)</b>				
001-2	General Fund - Basic Account - Federal	317,000	317,000	
<b>04-4-011 Family Forest Fish Blockages Program</b>				
057-1	State Building Construction Account - State	411,000	411,000	
<b>06-4-003 Boating Facilities Program</b>				
267-1	Recreation Resources Account - State	(1,079,000)		(1,079,000)
<b>06-4-200 Family Forest Fish Blockages Program</b>				
001-2	General Fund - Basic Account - Federal	217,000		217,000
<b>06-4-201 Federal Trails Program</b>				
001-2	General Fund - Basic Account - Federal	450,000		450,000
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<b>Agency Fund Total</b>				
146-1	Firearms Range Account - State	116,000	116,000	
001-2	General Fund - Basic Account - Federal	6,121,000	5,454,000	667,000
244-1	Habitat Conservation Account - State	3,212,000	3,212,000	
268-1	NOVA Program Account - State	207,000	207,000	
070-1	Outdoor Recreation Account - State	1,484,000	1,484,000	
267-1	Recreation Resources Account - State	(348,000)	731,000	(1,079,000)
06A-1	Salmon Recovery Account - State	1,231,000	1,231,000	
057-1	State Building Construction Account - State	2,796,000	2,796,000	
<b>Agency Total</b>		<b>14,819,000</b>	<b>15,231,000</b>	<b>(412,000)</b>

### Department of Fish and Wildlife

<b>06-1-020 Whooten Wildlife Area Fencing Replacement Due to Fire</b>			
057-1	State Building Construction Account - State	1,700,000	1,700,000

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Department of Fish and Wildlife (Continued)</b>				
<b>06-2-001</b>	<b>Estuary and Salmon Restoration in Puget Sound</b>			
057-1	State Building Construction Account - State	2,500,000		2,500,000
<b>06-4-018</b>	<b>Land Acquisition Pass-Thru Grants</b>			
104-2	State Wildlife Account - Federal	4,200,000		4,200,000
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<b>Agency Fund Total</b>				
057-1	State Building Construction Account - State	4,200,000		4,200,000
104-2	State Wildlife Account - Federal	4,200,000		4,200,000
<b>Agency Total</b>		<hr style="border-top: 1px solid black;"/> <b>8,400,000</b>		<hr style="border-top: 1px solid black;"/> <b>8,400,000</b>

### Department of Natural Resources

<b>06-2-008</b>	<b>Statewide Aquatic Restoration Projects</b>			
173-1	State Toxics Control Account - State	2,000,000		2,000,000
<b>06-2-015</b>	<b>Land Bank</b>			
041-1	Resource Management Cost Account - State	38,000,000		38,000,000
<hr style="border-top: 1px dashed black;"/>				
<b>Agency Fund Total</b>				
041-1	Resource Management Cost Account - State	38,000,000		38,000,000
173-1	State Toxics Control Account - State	2,000,000		2,000,000
<b>Agency Total</b>		<hr style="border-top: 1px solid black;"/> <b>40,000,000</b>		<hr style="border-top: 1px solid black;"/> <b>40,000,000</b>

### State School For The Blind

<b>06-1-001</b>	<b>New Physical Education Center</b>			
057-1	State Building Construction Account - State	8,130,000		8,130,000
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<b>Agency Fund Total</b>				
057-1	State Building Construction Account - State	8,130,000		8,130,000

## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>State School For The Deaf</b>				
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<b>06-2-003 Cafeteria &amp; Maintenance Support Building</b>				
057-1	State Building Construction Account - State	1,000,000		1,000,000
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<b>Agency Fund Total</b>				
057-1	State Building Construction Account - State	1,000,000		1,000,000
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<b>University of Washington</b>				
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<b>06-1-006 Guggenheim Hall Renovation</b>				
253-1	Education Construction Account - State	9,000,000		9,000,000
057-1	State Building Construction Account - State	(9,000,000)		(9,000,000)
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<b>Project Total</b>				
<hr/>				
<b>Agency Fund Total</b>				
253-1	Education Construction Account - State	9,000,000		9,000,000
057-1	State Building Construction Account - State	(9,000,000)		(9,000,000)
<hr/>				
<b>Agency Total</b>				
<hr/>				
<b>Washington State University</b>				
<hr/>				
<b>04-2-085 WSU Pullman - Biotechnology/Life Sciences 2</b>				
241-1	COP Construction Account - State	63,000,000		63,000,000
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<b>Agency Fund Total</b>				
241-1	COP Construction Account - State	63,000,000		63,000,000
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<b>Central Washington University</b>				
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<b>06-1-025 Replace Chiller</b>				
357-1	Gardner-Evans High Ed Construction - State	1,880,000		1,880,000
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<b>Agency Fund Total</b>				
357-1	Gardner-Evans High Ed Construction - State	1,880,000		1,880,000
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## CAPITAL TWO-YEAR PROJECT LISTING

### 2006 Supplemental Capital Plan Appropriations by Agency and Project

		Total Supplemental Changes	Reappropriation 2005-07	New Appropriation 2005-07
<b>Western Washington University</b>				
<b>04-2-073 Campus Roadway Development</b>				
065-1	WWU Capital Projects Account - State	(2,360)	(2,360)	
<b>06-2-001 Planning for Campus Expansion to Bellingham Waterfront</b>				
357-1	Gardner-Evans High Ed Construction - State	1,000,000		1,000,000
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<b>Agency Fund Total</b>				
357-1	Gardner-Evans High Ed Construction - State	1,000,000		1,000,000
065-1	WWU Capital Projects Account - State	(2,360)	(2,360)	
<b>Agency Total</b>		<b>997,640</b>	<b>(2,360)</b>	<b>1,000,000</b>



# CAPITAL SUMMARY BY SOURCE OF FUNDS

## 2006 Supplemental Capital Program Summary by Source of Funds

Source of Funds	Total	Reappropriations		Appropriations	
		State	Federal/Local	State	Federal/Local
Appropriated Funds:					
Char/Ed/Penal/Reform/Institutions (042)	1,028,000			1,028,000	
COP Construction Account (241)	63,000,000			63,000,000	
Drinking Water Assistance Repayment (07R)	10,280,000			10,280,000	
Education Construction Account (253)	9,000,000			9,000,000	
Firearms Range Account (146)	116,000	116,000			
Gardner-Evans High Ed Construction (357)	2,880,000			2,880,000	
General Fund - Basic Account (001)	6,712,000		6,381,000		331,000
Habitat Conservation Account (244)	3,212,000	3,212,000			
Local Toxics Control Account (174)	20,350,000			20,350,000	
NOVA Program Account (268)	207,000	207,000			
Outdoor Recreation Account (070)	1,484,000	1,484,000			
Parkland Acquisition Account (02N)	1,778,310	(221,690)		2,000,000	
Parks Renewal/Stewardship Account (269)	(1,920,921)	(1,920,921)			
Public Works Assistance Account (058)	55,000,000			55,000,000	
Recreation Resources Account (267)	(348,000)	731,000		(1,079,000)	
Resource Management Cost Account (041)	38,000,000			38,000,000	
Salmon Recovery Account (06A)	1,231,000	1,231,000			
State Building Construction Account (057)	32,796,000	1,869,000		30,927,000	
State Toxics Control Account (173)	17,500,000			17,500,000	
State Wildlife Account (104)	4,200,000				4,200,000
Thurston County Capital Facilities (289)	1,214,063	114,063		1,100,000	
Washington Bioenergy Loan Acct (WBL)	17,500,000			17,500,000	
Washington Housing Trust Account (532)	4,500,000			4,500,000	
Waste Tire Removal Account (08R)	4,000,000			4,000,000	
Water Quality Account (139)	1,500,000			1,500,000	
WWU Capital Projects Account (065)	(2,360)	(2,360)			
Total Appropriated Funds	295,217,092	6,819,092	6,381,000	277,486,000	4,531,000



## Capital Alternate Financing Projects

### Washington State University

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This authority is to construct a biotechnology and life sciences research laboratory and instructional facility.

Location	Pullman
Type	Certificates of Participation
Area	117,210 square feet
2005-07 Cost	\$63,000,000

### Community and Technical Colleges

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This authority is to construct a bookstore and student center at Edmonds Community College.

Location	Lynnwood
Type	Certificates of Participation
Area	30,890 square feet
2005-07 Cost	\$8,500,000

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This authority is to construct a building for a training center at Clark College.

Location	Vancouver
Type	Certificates of Participation
Area	25,000 square feet
2005-07 Cost	\$9,100,000